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**ARTICLES OF ASSOCIATION**

**OF**

**CHINA TELECOM CORPORATION LIMITED**

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*(The Articles of Association was prepared in Chinese and the English translation is not an official version and for your reference only. In case of any inconsistencies and discrepancies between the Chinese and the English versions, the Chinese version shall prevail)*

(Inclusive of alterations approved by the shareholders' meeting  
up to 16 December 2025)

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# ARTICLES OF ASSOCIATION OF CHINA TELECOM CORPORATION LIMITED

## CHAPTER 1 : GENERAL PROVISIONS

**Article 1.** This Articles of Association (the “Articles of Association”) is formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), Securities Law of the People’s Republic of China (the “Securities Law”), Guidelines for the Articles of Association of Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (the “SSE Listing Rules”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and other laws, administrative regulations and regulatory rules of relevant governmental regulatory authorities to safeguard the legitimate rights and interests of China Telecom Corporation Limited (the “Company”), its shareholders, employees and creditors, and to regulate the organisation and activities of the Company.

**Article 2.** The Company is a joint stock limited company established in accordance with the Company Law and other relevant laws and regulations of the State.

The Company was established by way of promotion with the approval of the State Economic and Trade Commission of the People’s Republic of China, as evidenced by approval document Guo Jing Mao Qi Gai (2002) no. 656. It is registered with and has obtained a business licence from the State Administration for Industry & Commerce of the People’s Republic of China on 10 September 2002. The Company’s unified social credit code is: 9111000071093019X7.

The promoter of the Company is: China Telecommunications Corporation (currently known as China Telecommunications Corporation).

**Article 3.** The Company’s registered Chinese name is: 中國電信股份有限公司  
The Company’s registered English name is: China Telecom Corporation Limited.

**Article 4.** The Company’s address : 31 Jinrong Street  
Xicheng District  
Beijing  
China  
Postal code : 100033

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

If the Chairperson of the board of directors resigns, he/she shall be deemed to have simultaneously resigned as the legal representative.

If the legal representative resigns, the Company shall determine a new legal representative within thirty (30) days from the date of resignation of the legal representative.

**Article 6.** The legal consequences of civil activities conducted 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 shareholders' meeting shall not be asserted against a bona fide counterpart.

If the legal representative causes damage to others while performing duties, the Company shall bear civil liability. After assuming civil liability, the Company may, in accordance with the provisions of the law or the Articles of Association, seek indemnification from the legal representative at fault.

**Article 7.** The Company is a joint stock limited company with perpetual existence.

The shareholders shall assume their liabilities to the extent of the shares they subscribe for in the Company, while the Company undertakes all of its liabilities with all of its assets.

The Company is an independent corporate legal person, and is subject to the jurisdiction of and protected by the laws and administrative regulations of the People's Republic of China.

**Article 8.** The Articles of Association shall take effect from the date of approval of the shareholders' meeting. After the Articles of Association come into effect, the original articles of association shall be superseded by the Articles of Association.

**Article 9.** From the date on which the Company's Articles of Association comes into effect, the Company's Articles of Association constitute the legally binding document that regulates the Company's organisation and activities, and the rights and obligations between the Company and each shareholder and among the shareholders.

**Article 10.** In accordance with the Company Law and the Constitution of the Communist Party of China (the “Party”), the Company shall set up Party organisations to carry out Party activities. The Party organisations shall perform the leadership functions in guiding the direction, managing the overall situation, ensuring implementation, and discussing and deciding on major issues of the Company in accordance with regulations. The Company shall set up Party working organs, which shall be equipped with sufficient competent staff to handle Party affairs and provided with sufficient funds to operate the Party organisations.

**Article 11.** The Company’s Articles of Association are binding on the Company and its shareholders, directors, and senior management personnel, all of whom may, according to the Company’s Articles of Association, assert rights in respect of the affairs of the Company.

Pursuant to the Articles of Association, a shareholder may sue another shareholder, and may take action against the directors and senior management personnel of the Company; shareholders may sue the Company, and the Company may sue the shareholders, directors, and senior management personnel pursuant to the Articles of Association.

The suit referred to in the preceding paragraph include court proceedings and an application to an arbitration tribunal to commence arbitration proceedings.

Senior management personnel mentioned in the Articles of Association refers to the Company’s president, executive vice president, chief financial officer, secretary of the board of directors and other personnel ascertained by the Company.

**Article 12.** The Company may invest in other limited liability companies or joint stock limited companies. The Company’s liabilities to an invested company shall be limited to the amount of its capital contribution to the investee company.

The Company shall not be a shareholder with unlimited liabilities of any other organisations operating for profits.

The Company may, according to its operating and management needs, operate as a holding company in accordance with the law.

**Article 13.** Subject to compliance with PRC laws and administrative regulations, the Company shall have the right to raise funds, including (but not limited to) loans and issue of debentures, etc. and shall have the right to charge or pledge its assets.

## CHAPTER 2: THE COMPANY'S OBJECTIVES AND SCOPE OF BUSINESS

**Article 14.** The Company's objectives are: comply with State laws and administrative regulations, be market driven, actively adopt advanced communications technologies, and develop telecommunications and information businesses; strengthen management and increase service quality; provide fast, convenient and accurate communication services to society and satisfy the needs of society; improve enterprise efficiency, increase enterprise competitiveness and create profits for shareholders.

**Article 15.** The Company's scope of business shall be consistent with and subject to the scope of business approved by the market supervision and administration authority. For the scope subject to approval in accordance with the law, the corresponding business activities may only be carried out after approval by the relevant authorities is obtained.

Basic telecommunications businesses include:

Engage in second generation 800MHz CDMA digital cellular mobile communications business, third generation CDMA2000 digital cellular mobile communications business, the LTE/4G digital cellular mobile communications business (TD-LTE/LTE FDD), fifth generation digital cellular mobile communications business, satellite mobile communications business, satellite fixed communications business, satellite transponders rental and sales business in the People's Republic of China.

Engage in local fixed communications business (including local wireless ring circuit business), domestic fixed long-distance communications business, international fixed long-distance communications business, Internet international data transmission business, international data communications business, public telegraph and subscriber telegraph business, 26GHz wireless access facilities services business, and domestic communications facilities services business in the 21 provinces, municipalities and autonomous regions of Beijing, Shanghai, Jiangsu, Zhejiang, Anhui, Fujian, Jiangxi, Hubei, Hunan, Guangdong, Guangxi, Hainan, Chongqing, Sichuan, Guizhou, Yunnan, Shaanxi, Gansu, Qinghai, Ningxia and Xinjiang.

Engage in 3.5GHz wireless access facilities services business in six provincial-level administrative regions including Hubei Province, Hunan Province, Hainan Province, Sichuan Province, Guizhou Province and Gansu Province, and three municipal-level administrative regions including Nanjing, Hefei, and Kunming.

Value-added telecommunications businesses include:

Engage in domestic fixed data transmission business, Customer Premises Network (CPN) business, network hosting business, domestic Internet virtual private network business, Internet access services business, online data processing and transaction processing business, storage and forwarding business, domestic call centre business, information services business (excluding mobile information services and Internet information services) and wireless data transmission business in Beijing, Shanghai, Jiangsu, Zhejiang, Anhui, Fujian, Jiangxi, Hubei, Hunan, Guangdong, Guangxi, Hainan, Chongqing, Sichuan, Guizhou, Yunnan, Shaanxi, Gansu, Qinghai, Ningxia and Xinjiang; engage in domestic Very Small Aperture Terminal communications business, Internet data centre business, domestic multi-party communications services, content distribution network business, information services business (limited to mobile information services) in the People's Republic of China; engage in information services business (limited to Internet information services), Internet domain name resolution service business.

IPTV transmission services: provide signal transmission and the relevant technical support between the IPTV integrated broadcast and control platforms and TV user terminals; the transmission network is built upon the fixed telecommunications network (including the Internet) to set up networks which are exclusive for the transmission of IPTV signals; the IPTV transmission services are conducted in defined territories.

Internet mapping services.

General businesses include:

Information system integration services; technology development, technical services, technology consulting, technology exchange, technology transfer, technology promotion; information consulting services (excluding licenced information consulting services), the retail of computer software and hardware and auxiliary equipment; sales of communication equipment; non-residential real estate leasing; computer and communication equipment leasing; design and construction services for security technology prevention systems; professional repair of communication transmission equipment; advertising production; advertising release; advertising design and agency; cloud computing equipment technology services; business outsourcing services based on cloud platforms; big data services; internet data services; industrial internet data services; artificial intelligence industry application system integration services; artificial intelligence general application systems; artificial intelligence basic software development; network and information security software development; internet security services; security consultation services; sales of information security equipment; quantum computing technology services; digital technology services; sales of commercial cryptographic products.

**Article 16.** The Company may, based on its business development needs, establish wholly-owned subsidiaries, controlled subsidiaries, branches, representative offices and other branch organisations.

Based on its business development needs and upon approval of the relevant governmental authorities, the Company may adjust its scope of business and manner of operation from time to time, and may establish branch organisations and/or representative offices (irrespective of whether controlled or owned by it) in the Hong Kong Special Administrative Region (“Hong Kong”), the Macau Special Administrative Region (“Macau”) and the Taiwan Region of the People’s Republic of China.

### CHAPTER 3: SHARES AND REGISTERED CAPITAL

**Article 17.** The shares of the Company shall take the form of stocks.

There must, at all times, be ordinary shares in the Company. The ordinary shares issued by the Company include domestic-invested shares and foreign-invested shares. The Company may, if necessary, issue different classes of shares with rights different from those of ordinary shares, including shares with preferential or deferred distribution of profits or residual assets, or other classes of shares stipulated by the State Council, in accordance with the relevant provisions of laws, administrative regulations, departmental rules, relevant regulatory documents and the Securities Regulatory Authorities in the places where the Company’s shares are listed (including stock exchanges, hereinafter collectively referred to as “the Securities Regulatory Authorities in the places where the Company’s shares are listed”).

**Article 18.** The shares issued by the Company are shares with a par value in Renminbi, and the par value of each share is Renminbi one (1.00) yuan.

“Renminbi” referred to in the previous paragraph means the legal currency of the PRC.

**Article 19.** The Company may issue shares to Domestic Investors and Foreign Investors according to laws. Shares of the Company shall be issued in accordance with the principles of openness, fairness and impartiality. Shares of the same class shall rank *pari passu* with each other. For same class of shares issued in the same tranche, each share shall be issued under the same conditions and at the same price. For the shares subscribed by any entity or individual as subscriber, the price payable for each of such shares shall be the same.

“Foreign Investors” referred to in the previous paragraph mean those investors who subscribe for the shares issued by the Company and who are located in foreign countries and in the regions of Hong Kong, Macau and Taiwan. “Domestic Investors” mean those investors who subscribe for the shares issued by the Company within the territory of the PRC who are located outside of the jurisdictions mentioned above.

**Article 20.** Shares which the Company issues to Domestic Investors for subscription in Renminbi shall be referred to as “Domestic Shares”. Shares that are listed and traded on domestic stock exchanges are referred to as A Shares. Shares which the Company issues to Foreign Investors for subscription in foreign currencies shall be referred to as “Foreign-Invested Shares”. Foreign-Invested Shares which are listed overseas are called “Overseas-Listed Foreign-Invested Shares”. Both holders of Domestic Shares and holders of Overseas-Listed Foreign-Invested Shares are holders of ordinary shares, and have the same obligations and rights.

“Foreign currencies” mean the legal currencies (other than the RMB) of countries or districts outside the PRC which are recognised by the foreign exchange authority of the State and which can be used to pay the share price to the Company.

**Article 21.** Foreign-Invested Shares issued by the Company and which are listed in Hong Kong shall be referred to as “H Shares”. H Shares are shares which have been admitted for listing on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the par value of which is denominated in Renminbi and which are subscribed for and traded in Hong Kong dollars.

**Article 22.** The total number of shares issued by the Company is 91,507,138,699 shares, all of which are ordinary shares, of which 68,317,270,803 ordinary shares were issued to the promoter of the Company at the time when the Company was established, with a par value of Renminbi one (1.00) yuan per share, representing 74.66% of the then issued ordinary share capital.

**Article 23.** Upon the initial public offering and listing of the Overseas-Listed Foreign-Invested Shares of the Company, the Company issued 12,615,097,518 Overseas-Listed Foreign-Invested Shares (H shares). Pursuant to the *Provisional Measures on the Administration of the Reduction of the State-Owned Shares for Raising Social Security Funds*, the number of Overseas-Listed Foreign-Invested Shares (H Shares) converted from a reduction by holders of State-owned shares of their shareholdings of the State-owned shares amounted to 1,262,312,482 shares. The total number of the Overseas-Listed Foreign-Invested Shares (H Shares) issued by the Company shall be 13,877,410,000 shares, representing 17.15% of the then issued ordinary share capital of the Company.

The share capital structure of ordinary shares prior to the initial public offering and listing of A Shares by the Company is: there are a total of 80,932,368,321 ordinary shares issued, of which 57,377,053,317 shares are held by the promoter, China Telecommunications Corporation (currently known as China Telecommunications Corporation), representing 70.89% of the total of the ordinary shares issued then by the Company. The other holders of the domestic shares are Guangdong Rising Holdings Group Co., Ltd., who holds a total of 5,614,082,653 shares representing 6.94% of the total ordinary shares issued then by the Company, Jiangsu Guixin Group Limited, who holds a total of 957,031,543 shares representing 1.18% of the total ordinary shares issued then by the Company, Zhejiang Provincial Financial Development Co., Ltd. (currently known as Zhejiang Provincial Financial Development Group Co., Ltd.), who holds a total of 2,137,473,626 shares representing 2.64% of the total ordinary shares issued then by the Company and Fujian Investment & Development Group Co., Ltd, who holds a total of 969,317,182 shares representing 1.20% of the total ordinary shares issued then by the Company. A total of 13,877,410,000 shares are held by holders of Overseas-Listed Foreign-Invested Shares (H Shares), representing 17.15% of the total ordinary shares issued then by the Company.

Upon approval by the securities regulatory authority of the State Council, 10,574,770,378 A Shares will be issued upon initial public offering of the Company and listed on the Shanghai Stock Exchange. After the initial public offering and listing of A Shares, the ordinary share capital structure of the Company comprises: 91,507,138,699 ordinary shares, including 77,629,728,699 A Shares, accounting for approximately 84.83% of the total number of ordinary shares that may be issued by the Company; and 13,877,410,000 H shares, accounting for approximately 15.17% of the total number of ordinary shares that may be issued by the Company.

A Shares issued by the Company are centrally deposited with a depository institution in accordance with relevant requirements; Overseas-Listed Foreign-Invested Shares issued by the Company may be deposited with a nominee company in accordance with the laws and requirements of securities registration and depository of the place where the shares of the Company are listed, or may also be held by shareholders in their own names.

**Article 24.** The registered capital of the Company is RMB91,507,138,699.

**Article 25.** The Company may, based on its operating and development needs, and in accordance with the relevant laws and administrative regulations, increase its registered capital in the following manners upon respective resolutions being adopted by the shareholders' meetings:

- (1) by offering of shares to unspecified objects;
- (2) by offering of shares to specified objects;
- (3) by allotting bonus shares to its existing shareholders;
- (4) by capitalising its capital common reserve;
- (5) by any other means which is permitted by law and administrative regulations and prescribed by the securities regulatory authority of the State Council.

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

When the Company issues new shares to increase its registered capital, shareholders shall not have pre-emptive rights, unless otherwise provided in the Articles of Association or resolved by a shareholders' meeting that shareholders shall have pre-emptive rights.

**Article 26.** The Company shall not accept any pledge with its own shares as the subject matter.

**Article 27.** The Company's shares shall be transferred in accordance with laws.

The shares of the Company issued prior to the Company's public offering of shares shall not be transferred within one (1) year from the date the shares of the Company being listed and traded on the stock exchange(s).

The directors and senior management personnel of the Company shall report to the Company their shareholdings in the Company and changes therein and shall not transfer more than twenty-five percent (25%) per annum of the total number of the shares of the same class of the Company held by them during their term of office determined upon appointment, unless such changes are caused by compulsory judicial enforcement, inheritance, legacy or distribution of properties in accordance with laws. The shares of the Company held by them shall not be transferred within one (1) year from the date the shares of the Company being listed and traded on the stock exchange(s). The aforementioned person(s) shall not transfer the shares of the Company held by them within six (6) months commencing from the termination of their service.

Where the laws, administrative regulations, departmental rules, relevant regulatory documents and rules of the Securities Regulatory Authorities in the places where the Company's shares are listed have other provisions regarding the transfer of shares held by shareholders in the Company, such provisions shall prevail.

**Article 28.** If the Company and its shareholders, directors, and senior management personnel holding five percent (5%) or more shares of the Company sell the shares of the Company or other securities of an equity nature within six (6) months after the purchase, or repurchase the shares within six (6) months after the sale, the income received shall be attributable to the Company, and shall be recovered by the board of directors of the Company. However, the restriction shall not apply to a securities firm which holds five percent (5%) or more of the Company's shares as a result of its purchasing of the untaken shares in an offer and other circumstances stipulated by the securities regulatory authority under the State Council.

The shares or other securities of equity nature held by any director, senior management personnel or individual shareholder referred to in the preceding paragraph include the stocks or other securities of an equity nature held by their spouses, parents and children, and any of the above which is indirectly held in others' accounts.

Where the board of directors of the Company does not comply with the provision of the first paragraph, the shareholders are entitled to request the board of directors to do so within thirty (30) days. Where the board of directors does not do so within the said period, the shareholders are entitled to initiate legal proceedings directly to the People's Court in their own names for the interests of the Company.

If the board of directors of the Company does not enforce the provision of the first paragraph, the accountable directors shall be assumed joint and several responsibilities in accordance with laws.

## CHAPTER 4: REDUCTION OF CAPITAL AND REPURCHASE OF SHARES

**Article 29.** According to the provisions of the Company's Articles of Association, the Company may reduce its registered capital. The Company may reduce its registered capital in accordance with the procedures provided in the Company Law and other relevant requirements and the Articles of Association.

**Article 30.** The Company will prepare a balance sheet and an inventory of assets when it reduces its registered capital.

The Company shall notify its creditors within ten (10) days of the date of the Company's resolution for reduction of capital and shall publish an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within thirty (30) days of the date of such resolution. A creditor has the right within thirty (30) days of receipt of the notice from the Company or, in the case of a creditor who does not receive such notice, within forty-five (45) days of the date of the public announcement, to require the Company to repay its debts or to provide a corresponding guarantee for such debt.

When the Company reduces its registered capital, the capital contribution of, or shares held by, its shareholders shall be reduced proportionally in accordance with their respective shareholding ratio, unless otherwise provided by laws, administrative regulations, departmental rules, relevant regulatory documents or resolutions of the shareholders' meeting.

**Article 31.** If the Company still has losses after making up for such losses in accordance with paragraph two of Article 175 of the 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 losses, the Company shall not make distributions to shareholders, nor shall it exempt shareholders from their obligation to make capital contributions or payment for shares.

Where the registered capital is reduced in accordance with the preceding paragraph, the provisions of paragraph three of Article 30 of the Articles of Association shall not apply, but an announcement shall be published in a newspaper or on the National Enterprise Credit Information Publicity System within thirty (30) days from the date on which the shareholders' meeting passes the resolution to reduce the registered capital.

After the Company reduces its registered capital in accordance with the provisions of the preceding two paragraphs, it shall not distribute profits before the accumulated amount of statutory common reserve fund and discretionary common reserve fund reaches fifty percent (50%) of the Company's registered capital.

**Article 32.** If the consideration paid for a merger does not exceed ten percent (10%) of the Company's net assets, it may be implemented without a resolution of the shareholders' meeting, except as otherwise provided in the Articles of Association.

If the Company merges in accordance with the provisions of the preceding paragraph without a resolution of the shareholders' meeting, the merger shall be subject to a resolution of the board of directors.

**Article 33.** The Company may not acquire its shares except under the following circumstances:

- (1) reducing its capital;
- (2) merging with another company that holds shares in the Company;
- (3) utilising shares for employee stock ownership plan or share incentive scheme;
- (4) repurchasing shares upon request raised by shareholders who had divergent views on approved resolutions in connection with a merger and division of the Company at the shareholders' meeting;
- (5) utilising shares for conversion of corporate bonds issued by the Company which are convertible into shares;
- (6) as necessary for maintenance of the Company's value and shareholders' rights and interests;
- (7) other circumstances as permitted under laws and administrative regulations.

The Company's acquisition of its issued and outstanding shares shall comply with the provisions of Articles 34 to 36 of the Articles of Association.

**Article 34.** The Company may acquire the shares of the Company by way of open and centralised trading, or by other means permitted by laws, administrative regulations and the State Council's securities regulatory authority.

Any acquisition of shares by the Company under the circumstances stated in clause (3), (5) or (6) of paragraph one of Article 33 shall be made by way of a public centralised trading.

**Article 35.** Any acquisition of shares by the Company pursuant to the provisions as stated in clause (1) or (2) of paragraph one of Article 33 shall be subject to a shareholders' resolution approved in a shareholders' meeting. Any acquisition of shares by the Company pursuant to the provisions as stated in clause (3), (5) or (6) of paragraph one of Article 33 shall be subject to a board resolution approved by two-thirds or more of the directors attending the shareholders' meeting pursuant to the authorisation of shareholders.

**Article 36.** In the event that the acquisition of shares by the Company in accordance with paragraph one of Article 33 is under the circumstances stated in clause (1), the shares shall be cancelled within ten (10) days from the day of acquisition; in the event that such acquisition is under the circumstances stated in clause (2) or (4), the shares shall be transferred or cancelled within six (6) months; in the event that such acquisition is under the circumstances stated in clause (3), (5) or (6), the total shares of the Company held by the Company shall not exceed ten percent (10%) of the total number of shares of the Company in issue and shall be transferred or cancelled within three (3) years.

Where the Securities Regulatory Authorities in the places where the Company's shares are listed have other provisions regarding share buy-backs and cancellations, such provisions shall prevail.

The aggregate par value of the cancelled shares shall be deducted from the Company's registered share capital.

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

**Article 37.** The Company or its subsidiaries (including the affiliates of the Company) shall not provide financial assistance in the form of gifts, advances, guarantees, compensation or loans, etc. for others to acquire shares in the Company or its parent company, except for the Company's implementation of an employee stock ownership plan.

For the benefit of the Company, by a resolution of the shareholders' meeting, or by a resolution of the board of directors in accordance with the Articles of Association or the authorisation of the shareholders' meeting, the Company may provide financial assistance for others to acquire shares of the Company or its parent company, provided that the cumulative total amount of financial assistance shall not exceed ten percent (10%) of the total issued share capital. Resolutions of the board of directors shall be passed by two thirds or more of all directors.

## CHAPTER 6: SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

**Article 38.** Share certificates of the Company shall be in registered form.

The share certificate of the Company shall contain following main particulars:

- (1) the name of the Company;
- (2) the date of incorporation of the Company;
- (3) the class of shares, par value and number of shares it represents;
- (4) the share certificate number;
- (5) other matters required to be stated therein by laws such as the Company Law, administrative regulations and the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed.

**Article 39.** Share certificates of the Company may be assigned, given as a gift, inherited or charged in accordance with relevant provisions of laws, administrative regulations and these Articles of Association.

For assignment and transfer of shares, relevant registration of the share certificates shall be carried out with the share registration institution authorized by the Company.

**Article 40.** Share certificates of the Company shall be signed by the Chairperson of the Company's board of directors. Where rules of the Securities Regulatory Authorities in the places where the Company's shares are listed require other senior management personnel of the Company to sign on the share certificates, the share certificates shall also be signed by such senior management personnel. The share certificates shall take effect after being affixed with the seal of the Company (including the securities seal of the Company) or having the seal printed thereon. The share certificate shall be imprinted with the seal of the Company or the securities seal of the Company under the authorisation of the board of directors. The signatures of the Chairperson of the board of directors or other senior management personnel of the Company may be printed in mechanical form.

In case of paperless issue and trading of the shares of the Company, the applicable provisions provided by the Securities Regulatory Authorities in the places where the Company's shares are listed shall prevail.

**Article 41.** The Company shall keep a register of shareholders in accordance with vouchers provided by securities registration and clearing institutions. The register of shareholders is sufficient evidence of a shareholder's shareholding in the Company. A shareholder shall enjoy rights and assume obligations according to the class of shares held by him or her. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

The register of shareholders shall contain the following particulars:

- (1) the name (title) and address (residence) of each shareholder;
- (2) the quantity of shares held by each shareholder;
- (3) the share certificate number(s) of the shares held by each shareholder;
- (4) the date on which each person was entered in the register as a shareholder.

**Article 42.** The Company may, in accordance with the mutual understanding and agreements made between the securities authority of the State Council and overseas securities regulatory organisations, maintain the register of shareholders of Overseas-Listed Foreign-Invested Shares overseas and appoint overseas agent(s) to manage such register of shareholders. The original register for holders of Overseas-Listed Foreign-Invested Shares listed in Hong Kong shall be maintained in Hong Kong.

**Article 43.** The Company shall have a complete register of shareholders which shall comprise the following parts:

- (1) the part of the register of shareholders which is maintained at the Company's registered address (other than those share registers which are described in clauses (2) and (3) of this Article);
- (2) the part(s) of the register of shareholders in respect of the holders of Overseas-Listed Foreign-Invested Shares of the Company which are maintained in the same location as the overseas stock exchange on which the shares are listed; and
- (3) the part(s) of the register of shareholders which are maintained in such other location as the board of directors considers necessary for the purposes of the listing of the Company's shares.

**Article 44.** Different parts of the register of shareholders shall not overlap. No transfer of any shares registered in any part of the register shall, during the continuance of that registration, be registered in any other part of the register.

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

- (1) a fee of HK\$2.50 per instrument of transfer or such higher amount agreed from time to time by the Stock Exchange for the registration of the instrument of transfer and other documents relating to or which affect the right of ownership of the shares;
- (2) the instrument of transfer only relates to Overseas-Listed Foreign-Invested Shares listed in Hong Kong;
- (3) the stamp duty which is chargeable on the instrument of transfer has been duly paid;
- (4) the relevant share certificate(s) and any other evidence which the board of directors may reasonably require to show that the transferor has the right to transfer the shares have been provided;
- (5) if it is intended that the shares be transferred to joint owners, the maximum number of joint owners shall not be more than four (4); and
- (6) the Company does not have any lien on the relevant shares.

The transfer of Overseas-Listed Foreign Invested Shares in the Company listed in Hong Kong shall be in writing on normal or standard instruments of transfer or on a form acceptable to the Board of Directors; and such transfer instrument can be signed only by hand or, if the transferor or transferee is a securities clearing institution or its representative recognised in accordance with section 37 of the Securities and Futures Ordinance (Hong Kong Law Cap 571), signed by hand or signed in printed mechanical form. All the transfer instruments shall be maintained in the legal address of the Company or other place the Board of Directors may designate from time to time.

Any change or correction to various parts of the register of shareholders shall be carried out in accordance with the law of the place where such parts of the register of shareholders are maintained.

**Article 45.** In the event that there is any other relevant provision on the period of closure of the register of shareholders prior to a shareholders' meeting or the record date for the Company's distribution of dividends as promulgated and stipulated by the PRC laws, administrative regulations or the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed, such provision shall prevail.

**Article 46.** When the Company needs to determine the shareholders' identity for the purposes of convening a shareholders' meeting, for dividend distribution, for liquidation or for any other purpose which requires such determination, the board of directors or the convener of the shareholders' meeting shall decide the date for the determination of shareholdings. Shareholders whose names appear in the register of shareholders at the record date shall be the shareholders of the Company who are entitled to the relevant rights and interests.

**Article 47.** A shareholder whose registered shares are stolen, lost or extinguished may, pursuant to the public summon for exhortation stipulated in the Civil Litigation Law of the People's Republic of China request the People's Court to declare the shares invalid. Upon declaration of the shares by the People's Court to be invalid, the shareholder may apply to the Company for the issue of replacement shares.

**Article 48.** Any person who is a registered shareholder or who claims to be entitled to have his/her name (title) entered in the register of shareholders in respect of shares in the Company may, if his/her share certificate (the "original certificate") relating to the shares is lost, apply to the Company for a replacement share certificate in respect of such shares (the "Relevant Shares").

Application by a holder of A Shares, who has lost his/her share certificate, for a replacement share certificate shall be dealt with in accordance with the requirements of the Company Law.

Application by a holder of Overseas-Listed Foreign Shares, who has lost his/her share certificate, for a replacement share certificate may be dealt with in accordance with laws, administrative regulations and the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed of the place where the original register of shareholders of holders of Overseas-Listed Foreign-Invested Shares is maintained.

The issue of a replacement share certificate to a holder of H Shares, who has lost his/her share certificate, shall comply with the following requirements:

- (1) The applicant shall submit an application to the Company in a prescribed form accompanied by a notarial certificate or a statutory declaration, stating the grounds upon which the application is made, the circumstances and evidence of the loss, and declaring that no other person is entitled to have his/her name entered in the register of shareholders in respect of the Relevant Shares.
- (2) The Company has not received any declaration made by any person other than the applicant declaring that his/her name shall be entered into the register of shareholders in respect of such shares before it decides to issue a replacement share certificate to the applicant.
- (3) The Company shall, if it intends to issue a replacement share certificate, publish a notice of its intention to do so at least once every thirty (30) days within a period of ninety (90) consecutive days in such newspapers as may be prescribed by the board of directors.
- (4) The Company shall, prior to publication of its intention to issue a replacement share certificate, deliver to the stock exchange on which its shares are listed, a copy of the announcement to be published and may publish the announcement upon receipt of confirmation from such stock exchange that the announcement has been exhibited in the premises of the stock exchange. Such announcement shall be exhibited in the premises of the stock exchange for a period of ninety (90) days.

In the case of an application which is made without the consent of the registered holder of the Relevant Shares, the Company shall deliver by mail to such registered shareholder a copy of the announcement to be published.

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

## CHAPTER 7: SHAREHOLDERS' RIGHTS AND OBLIGATIONS

**Article 49.** A shareholder of the Company is a person who lawfully holds shares in the Company and whose name (title) is entered in the register of shareholders.

In the case of the joint shareholders, if one of the joint shareholders is deceased, only the other existing shareholders of the joint shareholders shall be deemed as the persons who have the ownership of the relevant shares. But the board of directors has the power to require them to provide a certificate of death acceptable to it for the purpose of modifying the register of shareholders. For joint shareholders of any shares, only the joint shareholder whose name appears first in the register of shareholders shall have the right to receive certificates of the relevant shares, receive notices of the Company, and attend and vote at shareholders' meetings of the Company. Any notice which is delivered to the shareholder shall be considered as all the joint shareholders of the relevant shares who have been delivered.

**Article 50.** The holders of ordinary shares of the Company shall enjoy the following rights:

- (1) the right to obtain dividends and other distributions in proportion to the number of shares held;
- (2) the right to request to hold, convene, preside over, attend or appoint a proxy to attend shareholders' meetings in accordance with laws, to speak and to vote thereat according to laws, administrative regulations and requirements of the Securities Regulatory Authorities in the places where the Company's shares are listed and the Article of Association;
- (3) the right to supervise the Company's business operations and the right to present proposals or to raise queries;
- (4) the right to transfer, donate, or pledge shares held by them in accordance with laws, administrative regulations and provisions of the Company's Articles of Association;
- (5) the right to inspect and reproduce the Articles of Association, the register of shareholders, minutes of shareholders' meetings, resolutions of the meetings of the board of directors, and financial reports. Shareholders who meet the requirements may inspect the Company's accounting books and accounting vouchers;

- (6) in the event of the termination or liquidation of the Company, the right to participate in the distribution of surplus assets of the Company in accordance with the number of shares held;
- (7) with respect to shareholders voting against any resolution adopted at the shareholders' meeting on the merger or division of the Company, the right to demand the Company to acquire the shares held by them;
- (8) other rights conferred by laws, administrative regulations, departmental rules and the Company's Articles of Association.

Shareholders who request to inspect or reproduce the relevant materials of the Company shall comply with the provisions of the Company Law, the Securities Law and other laws and administrative regulations. Where a shareholder demands to inspect the relevant information or obtain materials as mentioned in the preceding paragraphs, it shall submit to the Company written documents evidencing the class and number of shares it holds, and the Company shall provide the relevant information or materials as demanded by the shareholder after verifying the shareholder's identity. Among them, shareholders who individually or collectively hold three percent (3%) or more of the Company's shares for one hundred and eighty (180) consecutive days or more and request to inspect the Company's accounting books and accounting vouchers shall also submit a written request to the Company, stating the purpose. If the Company has reasonable grounds to believe that a shareholder's inspection of accounting books and accounting vouchers has an improper purpose and may harm the Company's legitimate interests, it may refuse such inspection.

If the information or materials involve the Company's trade secrets, inside information or the personal privacy of relevant personnel, the Company may refuse to provide them. Any related expenses incurred in the inspection of the information or materials in item (5) above shall be borne by the shareholders themselves. Shareholders shall sign a confidentiality undertaking with the Company and undertake confidentiality obligations before inspecting and reproducing relevant Company information.

The provisions of this Article shall apply where a shareholder requests to inspect and reproduce relevant materials of the Company's wholly-owned subsidiaries.

The Company's registers of members must be available for inspection by shareholders during office hours.

**Article 51.** If a resolution passed at a shareholders' meeting or meeting of the board of directors of the Company violates the laws or administrative regulations, the shareholders shall have the right to submit a petition to the People's Court to render the same invalid.

If the procedures for convening, or the method of voting at, a shareholders' meeting or meeting of the board of directors violate the laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, shareholders shall have the right to submit a petition to the People's Court to revoke such resolution within sixty (60) days from the date on which such resolution is adopted, save where the convening procedures or voting methods for shareholders' meetings and board meetings only have minor defects and do not have substantive impact on the resolution.

Where relevant parties such as the board of directors and shareholders have a dispute over the validity of the resolution of the shareholders' meeting, they shall promptly file a lawsuit with the People's Court. Before the People's Court makes a judgement or ruling to revoke the resolution or any other relevant judgment or ruling, the relevant parties shall implement the resolution of the shareholders' meeting. The Company, directors and senior management personnel shall faithfully perform their duties to ensure the normal operation of the Company.

Where the People's Court makes a judgement or ruling on relevant matters, the Company shall perform its information disclosure obligations in accordance with laws, administrative regulations, and the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed, fully explain the impact, and actively cooperate with the enforcement after the judgement or ruling takes effect. If it involves the correction of prior period matters, the Company will promptly make such corrections and fulfill the corresponding information disclosure obligations.

The stipulations of the rules for dispute resolution under the Articles of Association shall be applicable to holders of Overseas-Listed Foreign-Invested Shares.

**Article 52.** Where the Company incurs losses as a result of violation of the laws, administrative regulations or the provisions under the Articles of Association by directors and senior management personnel other than members of the audit committee in the course of performing their duties in the Company, shareholders individually or collectively holding one percent (1%) or more of the Company's shares for one hundred and eighty (180) consecutive days or more shall have the right to request in writing the audit committee to initiate legal proceedings in the People's Court. Where the Company incurs losses as a result of violation of laws, administrative regulations or the Articles of Association by the members of the audit committee in the course of performing its duties in the Company, the aforementioned shareholders shall have the right to request in writing to the board of directors to initiate legal proceedings in the People's Court.

In the event that the audit committee or the board of directors refuses to initiate legal proceedings upon receipt of the written request of shareholders stated in the preceding paragraph, or fails to initiate such legal proceedings within thirty (30) days from the date on which such request is received, or in case of emergency where failure to initiate such proceedings immediately will result in irreparable damage to the Company's interests, shareholders prescribed in the preceding paragraph shall have the right to initiate legal proceedings in the People's Court directly in their own names in the interest of the Company.

If any person infringes the lawful rights and interests of the Company, thus causing any losses to the Company, the shareholders as mentioned in the first paragraph of this Article may initiate legal proceedings in the People's Court in accordance with the provisions of the two preceding paragraphs.

Where the Company incurs losses as a result of violation of the laws, administrative regulations or the provisions under the Articles of Association by directors, supervisors or members of the audit committee (as the case may be), or senior management personnel of the Company's wholly-owned subsidiaries in the course of performing their duties, or where the Company incurs losses as a result of infringement upon the legitimate rights and interests of the Company's wholly-owned subsidiaries by third parties, shareholders individually or collectively holding one percent (1%) or more of the Company's shares for one hundred and eighty (180) consecutive days or more may make a written request to the supervisory committee or audit committee (as the case may be), or the board of directors of such wholly-owned subsidiaries to file a lawsuit with the People's Court in accordance with the provisions of paragraphs one, two and three of this Article, or directly file a lawsuit with the People's Court in their own names.

The stipulations of the rules for dispute resolution under the Articles of Association shall be applicable to holders of Overseas-Listed Foreign-Invested Shares.

**Article 53.** If any director or senior management personnel is in violation of the laws, administrative regulations or provisions under the Articles of Association, thus causing any damage to the interests of shareholders, the shareholders may initiate legal proceedings in the People's Court.

The stipulations of the rules for dispute resolution under the Articles of Association shall be applicable to holders of Overseas-Listed Foreign-Invested Shares.

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

- (1) to comply with the laws, administrative regulations and the Company's Articles of Association;
- (2) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (3) not to withdraw its share capital unless required by laws and administrative regulations;
- (4) not to abuse their shareholders' rights to jeopardise the interests of the Company or other shareholders; and not to abuse the status of the Company as an independent legal person and the limited liability of shareholders to jeopardise the interests of any creditors of the Company;
- (5) other obligations imposed by laws, administrative regulations and the Articles of Association.

Where shareholders of the Company abuse their shareholders' rights and thereby cause losses to the Company or other shareholders, such shareholders shall be liable for indemnity in accordance with laws. Where shareholders of the Company abuse the Company's status as an independent legal person and the limited liability of shareholders for the purposes of evading the repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

**Article 55.** If a shareholder holding five percent (5%) or more of the shares of the Company with voting rights pledged his/her/its shares, he/she/it shall make a written report to the Company from the day the fact occurs.

However, if there are other provisions regarding the share pledge by laws, administrative regulations, departmental rules, relevant regulatory documents, and the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed, the provisions of the relevant laws, administrative regulations, departmental rules, relevant regulatory documents, and the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed shall prevail.

**Article 56.** The controlling shareholder and the de facto controller of the Company shall exercise their rights and perform their obligations in accordance with laws, administrative regulations and the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed, and safeguard the interests of the listed company.

The controlling shareholder and the de facto controller of the Company shall comply with the following provisions:

- (1) to exercise shareholder rights in accordance with the law, and not abuse controlling power or use related-party relationships to harm the legitimate rights and interests of the Company or other shareholders;
- (2) to strictly implement the public statements and undertakings made and shall not alter or waive them without authorisation;
- (3) to strictly perform information disclosure obligations in accordance with relevant regulations, actively cooperate with the Company in information disclosure and inform the Company in a timely manner of material events that have occurred or are expected to occur;
- (4) not to misappropriate the Company's funds in any manner;
- (5) not to coerce, instigate or require the Company or related personnel to provide guarantees in violation of laws or regulations;
- (6) not to utilise the Company's undisclosed material information for 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 impair the legitimate rights and interests of the Company and other shareholders through any means such as unfair related-party (connected) transactions (the "related-party transactions"), profit distribution, asset restructuring, or external investments.
- (8) to ensure the integrity of the Company's assets, and the independence of its personnel, finance, organisation and business, and not to in any way affect the independence of the Company;
- (9) other provisions of laws, administrative regulations, the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed and the Articles of Association.

Where the controlling shareholder or de facto controller of the Company does not serve as a director of the Company but actually executes the Company's affairs, the provisions of the Articles of Association regarding the duties of loyalty and diligence of directors shall apply.

The controlling shareholder or de facto controller of the Company who instructs directors or senior management personnel to engage in conduct that prejudices the interests of the Company or the shareholders shall bear joint and several liability with such directors and senior management personnel.

**Article 57.** Where the 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.

Where the controlling shareholder or de facto controller transfers the shares of the Company held by him/her, he/she shall comply with the restrictive provisions on share transfer in laws, administrative regulations, and the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed, as well as their undertakings on restricting share transfer.

**Article 58.** For the purpose of the above Article, a "controlling shareholder" refers to a shareholder whose shareholding accounts for fifty percent (50%) or more of the total share capital of a joint stock limited company, or a shareholder whose shareholding does not yet exceed fifty percent (50%) but holds a voting right according to its shareholding that is significant enough to materially impact the resolution of the shareholders' meeting.

For the purpose of the above Article, "the de facto controller" means a natural person, legal person or other organisation who has actual control over the Company through investment, relationship agreement or other arrangement.

For the purpose of the above Article, "affiliation" means the relationship between the controlling shareholder, de facto controller, directors, or senior management personnel of the Company and the enterprises directly or indirectly controlled thereby and any other relationship that may lead to the transfer of any interest of the Company. However, the related relationship exists among enterprises controlled by the state not merely because such enterprises are under the common control of the state.

## CHAPTER 8: SHAREHOLDERS' MEETINGS

**Article 59.** The shareholders' meeting of the Company shall be formed by all shareholders. The shareholders' meeting is the organ of authority of the Company and has the following functions and powers according to the laws:

- (1) to elect and replace directors and determine matters relating to the remuneration of directors;
- (2) to examine and approve the board of directors' reports;
- (3) to examine and approve the Company's annual financial final accounts;
- (4) to examine and approve the Company's profit distribution plans and loss recovery plans;
- (5) to pass resolutions on the increase or reduction in the Company's registered capital, and issuance of any class of shares, warrants or other similar securities;
- (6) to pass resolutions on matters such as merger, division, dissolution and liquidation of the Company or alteration of corporate form;
- (7) to pass resolutions on the issue of debentures by the Company;
- (8) to pass resolutions on the appointment or dismissal of the accountancy firms engaged to conduct the Company's audit, the non-reappointment of such accountancy firms of the Company, and the remuneration of the accountancy firms of the Company or the method of determining their remuneration;
- (9) to pass resolutions on the amendment to the Company's Articles of Association;
- (10) to consider and approve motions raised by shareholders who represent one percent (1%) or more of the total number of voting shares of the Company;
- (11) to consider and approve the guarantee as required by Article 60;
- (12) to consider and approve matters relating to the purchases or disposals of material assets which are more than thirty percent (30%) of the latest audited total assets, within one (1) year;
- (13) to consider and approve matters relating to changes in the use of proceeds;

- (14)to consider and approve the share incentive scheme and employee stock ownership plan;
- (15)to consider and approve related-party transactions which shall be approved at the shareholders' meeting as required by the laws, administrative regulations, departmental rules, relevant regulatory documents and the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed;
- (16)to decide on other matters which, according to laws, administrative regulations, departmental rules, relevant regulatory documents, the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed or the Company's Articles of Association, need to be approved by the shareholders' meetings.

The shareholders' meeting may authorise the board of directors to make resolutions on the issuance of corporate bonds, which shall comply with laws, administrative regulations, departmental rules, relevant regulatory documents, and the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed.

**Article 60.** The following external guarantees to be given by the Company shall be examined and approved by the shareholders' meeting:

- (1) Provision of any external guarantee by the Company and its subsidiaries, the total amount of which exceeds fifty percent (50%) of the latest audited net assets of the Company;
- (2) Provision of any external guarantee by the Company and its subsidiaries, the total amount of which exceeds thirty percent (30%) of the latest audited total assets of the Company;
- (3) Provision of guarantee by the Company to others, which has a total amount within one (1) year that exceeds thirty percent (30%) of the latest audited total assets of the Company;
- (4) Provision of guarantee to anyone whose liability-asset ratio exceeds seventy percent (70%);
- (5) Provision of a single guarantee whose amount exceeds ten percent (10%) of the latest audited net assets of the Company;
- (6) Provision of guarantees to the shareholders, de facto controllers and their related parties;
- (7) other guarantees as required by laws, administrative regulations, departmental rules, relevant regulatory documents, the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed or the Company's Articles of Association.

When the shareholders' meeting considers 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 meeting.

When the shareholders' meeting considers the guarantee in item (6) of the preceding paragraph, the shareholder or the shareholder controlled by the de facto controller shall not participate in the voting. The resolution shall be passed by more than half of the voting rights held by the other shareholders attending the shareholders' meeting.

**Article 61.** The Company shall not, except for special situations such as the Company being in crisis, without the approval of the shareholders' meeting by a special resolution, enter into any contract with any person other than its directors and senior management personnel pursuant to which such person shall be responsible for the management of the whole or the material part of the businesses of the Company.

**Article 62.** Shareholders' meetings consist of annual general meetings and extraordinary general meetings. The Company shall hold one (1) annual general meeting every accounting year and within six (6) months from the end of the preceding accounting year.

**Article 63.** The Company shall convene an extraordinary general meeting within two (2) months from the date any one of the following events occurs:

- (1) where the number of directors is less than the number required by the Company Law or less than two-thirds of the number of directors specified in the Company's Articles of Association;
- (2) the unrecovered losses of the Company amount to one-third of the Company's total share capital;
- (3) where shareholder(s) individually or collectively holding ten percent (10%) or more of the Company's issued and outstanding voting shares request(s) (the "Requesting Shareholders") in writing for the convening of an extraordinary general meeting. The number of shares held by the shareholder(s) as described above shall be calculated at the close of trading on the date when such shareholder(s) request in writing or on the preceding trading day (if the written request is made on a non-trading day), and the basis for calculating shall be one vote per share;
- (4) whenever the board of directors deems necessary or the audit committee so requests;

(5) such other circumstances as required by laws, administrative regulations, departmental rules, relevant regulatory documents, the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed or the Company's Articles of Association.

Where a shareholders' meeting cannot be held within the aforesaid time limit, the Company shall report to the local office of the China Securities Regulatory Commission at the place where the Company is located as well as the Shanghai Stock Exchange, giving reasons therefor, and making an announcement accordingly.

**Article 64.** Upon consideration at a special meeting of independent directors with the approval of more than half of all independent directors, the independent directors have the right to propose to the board of directors to convene an extraordinary general meeting in accordance with the provisions of Article 93 of the Articles of Association.

**Article 65.** The place of the shareholders' meeting of the Company is the city where the Company is domiciled or other places designated by the board of directors. A venue will be set up for the shareholders' meeting held by a combination of physical meeting and Internet voting as well as Internet communication meeting. The Company shall also facilitate the shareholders attending the shareholders' meeting through Internet voting. A shareholder who participates in a shareholders' meeting in the aforementioned manner shall be deemed to have been present at the meeting. Shareholders have the right to speak and vote at the shareholders' meeting through physical meeting or Internet communication meeting.

If the Company convenes a shareholders' meeting via Internet or other methods, the time and procedures for voting via Internet or other methods shall be expressly stated in the notice of such meeting.

**Article 66.** When the Company convenes an annual general meeting, written notice of the meeting shall be given by way of announcement at least twenty (20) days before the date of the meeting, or in the case of an extraordinary general meeting, written notice of the meeting should be given by way of announcement at least fifteen (15) days to notify all of the shareholders whose names appear in the share register of the matters to be considered and the date and place of the meeting.

Upon issuance of the notice of shareholders' meeting, the shareholders' meeting shall neither be delayed nor cancelled without proper reasons. Proposals listed in such notice shall not be revoked. Once the shareholders' meeting is delayed or cancelled, the convener shall make a public announcement stating the reasons therefor at least two (2) working days prior to the date originally scheduled for convening the meeting.

**Article 67.** When the Company convenes a shareholders' meeting, the board of directors, the audit committee or shareholders, individually or jointly, holding one percent (1%) or more of the shares of the Company shall have the right to propose new motions in writing, and the content of such motions shall fall within the scope of powers of the shareholders' meeting, have clear subjects and specific resolution matters, and comply with the relevant provisions of laws, administrative regulations and the Articles of Association. The Company shall place such proposed motions on the agenda for such meeting if they are matters falling within the functions and powers of shareholders' meetings.

Shareholders, individually or jointly, holding one percent (1%) or more of the Company's shares may submit a written proposal to the convener ten (10) days prior to the date of the shareholders' meeting. The convener shall issue a supplementary notice of the shareholders' meeting within two (2) days upon receipt of the proposal, announcing the content of the provisional proposal and submitting it to the shareholders' meeting for consideration. However, this excludes provisional proposals which violate laws, administrative regulations, or the Articles of Association, or do not fall within the scope of powers of the shareholders' meeting. The Company shall not increase the shareholding percentage required for shareholders to submit a provisional proposal.

Except for the circumstances specified in the preceding paragraph, the convener shall not modify the proposals or add new proposals after the notice of the shareholders' meeting has been issued.

If a proposal is not specified in the notice of the shareholders' meeting or does not comply with the provisions of the Articles of Association, it shall not be voted or resolved at the shareholders' meetings.

**Article 68.** A notice of a shareholders' meeting of the Company shall include the following contents:

- (1) the time, place and duration of the meeting;
- (2) contain the matters and proposals submitted to the meeting for consideration and review. The notice of the shareholders' meeting and its supplementary notice shall fully and completely disclose the specific contents of all proposals;
- (3) contain a conspicuous statement that all shareholders are entitled to attend such meeting and appoint proxies to attend and vote at such meeting in writing and that a proxy need not be a shareholder of the Company;
- (4) provide the record date of the registration of shareholdings of such shareholders entitled to attend the shareholders' meeting;

- (5) contain names and contact information of the contact persons in charge of the meeting;
- (6) specify the time and procedures of voting online or by other means;
- (7) other contents that should be included in accordance with laws, administrative regulations, departmental rules, relevant regulatory documents, and the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed.

**Article 69.** Where the elections of directors are to be discussed at the shareholders' meeting, a notice of the shareholders' meeting shall fully disclose the particulars of the candidates for directors in accordance with laws, administrative regulations, departmental rules, relevant regulatory documents, the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed and the Articles of Association, and shall include the following contents:

- (1) personal particulars such as educational background, working experience and part-time job(s);
- (2) whether or not the candidate has any related relationship with the Company or the Company's controlling shareholder and de facto controller;
- (3) whether there are any circumstances where the candidate is not eligible to be nominated as director of the Company in accordance with the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed;
- (4) the number of the Company's shares held by the candidate;
- (5) whether or not the candidate has been subject to penalties by the securities regulatory authorities of the State Council and other relevant authorities as well as sanctions by any stock exchanges;
- (6) information on newly appointed, re-elected or re-designated directors required to be disclosed pursuant to the Listing Rules.

Save for the elections of directors held by adopting cumulative voting system, each candidate for a director shall be proposed by way of a separate proposal.

**Article 70.** Notice of shareholders' meetings shall be sent to each shareholder (regardless of whether such shareholder is entitled to vote at the meeting) by way of public announcement or the means as specified in Article 217 or permitted by the Securities Regulatory Authorities in the places where the Company's shares are listed. For notices issued by way of public announcement, after the publication of such announcement, the relevant persons shall be deemed to have received the notice.

**Article 71.** The board of directors and other conveners shall take all necessary measures to ensure that the shareholders' meeting is conducted in an orderly manner and shall take measures to prevent any activities interfering with the shareholders' meeting or infringing the legitimate rights and interests of shareholders and shall promptly report such activities to the relevant authorities.

**Article 72.** All shareholders appearing on the register of members on the record date or their proxies are entitled to attend shareholders' meetings and exercise voting rights in accordance with the relevant laws, administrative regulations and the Articles of Association.

Shareholders may either attend the shareholders' meeting in person or appoint a proxy to attend such meeting on their behalf.

**Article 73.** Any shareholder who is entitled to attend and vote at a shareholders' meeting of the Company shall be entitled to appoint one (1) or more persons (whether such person is a shareholder or not) as his/her proxies to attend and vote on his/her behalf, and a proxy so appointed shall be entitled to exercise the following rights pursuant to the authorisation from that shareholder:

- (1) the shareholders' right to speak at the meeting;
- (2) the right to demand or join in demanding a poll.

Where any member, under the laws, administrative regulations, departmental rules, relevant regulatory documents, the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed, is required to abstain from voting on any particular resolution or is restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

**Article 74.** The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing if the shareholder authorises a proxy to attend the meeting, or if the appointer is a legal entity or other organisation, such instrument shall be delivered either under seal by such legal entity or other organisation or under the hand of a legal representative, a director or a duly authorised attorney.

If an individual shareholder attends the meeting in person, he or she shall present his or her identity card or other valid certificate or proof that can prove his or her identity. If a proxy attends the meeting on behalf of an individual shareholder, the proxy shall provide valid proof of his or her identity and the instrument of proxy from the appointing shareholder.

A corporate shareholder shall be represented by its legal representative or its proxy appointed by the legal representative to attend the meeting, and such corporate shareholder is deemed to be present in person if the relevant person is authorised to attend the meeting on its behalf. The legal representative attending the meeting shall present his or her personal identity card and valid documents that can prove his or her identity as the legal representative. Proxies attending the meeting shall present their personal identity cards and the written instruments of proxy duly issued and signed by the legal representative of the corporate shareholder.

If a shareholder is a Recognised Clearing House as defined in the applicable rules of Securities Regulatory Authorities in the places where the Company's shares are listed or other laws and administrative regulations or its proxy, such shareholder may, as he sees fit, authorise one (1) or more persons (including proxies and legal persons) as his/her proxies to attend and vote at any shareholders' meeting and creditors' meeting. However, if one (1) or more persons is authorised, the instrument of proxy shall specify the number and class of the shares in relation to each such proxy. Such authorised person may exercise his/her power (including the rights to speak and vote) on behalf of such Recognised Clearing House (or its proxy) in the same manner as the individual shareholder of the Company. If applicable laws and administrative regulations prohibit the clearing house's appointed agents or legal representatives from enjoying the above rights, the Company shall make necessary arrangements with the relevant Recognised Clearing House to ensure that shareholders holding shares through the clearing house have the rights to vote, attend (in person or by proxy) and speak.

**Article 75.** If the instrument appointing a proxy is signed by a person authorised by the appointor, the power of attorney or other instrument for the authorisation of signing shall be notarially certified. The instrument appointing a voting proxy and a notarially certified copy of that power of attorney or other authority shall be deposited at the domicile of the Company or at such other place as is specified for that purpose in the notice convening the meeting.

**Article 76.** The instrument of proxy issued by shareholders to authorise other persons to attend the shareholders' meeting shall state the followings:

- (1) the name of the appointer and class and quantity of shares held thereby in the Company;
- (2) the name of the proxies of the appointing shareholder;

- (3) the number of shares of the appointing shareholder represented by the proxies. If more than one proxy is appointed, the instrument shall specify the number of shares represented by each proxy respectively;
- (4) specific instructions from the shareholder, including instructions to vote in favour of, against or abstain from voting on each of the items in the agenda of the shareholders' meeting;
- (5) the signing date and the effective period of the instrument of proxy;
- (6) the signature (or seal) of the appointor. If the appointor is a corporate shareholder, the seal of the corporate shareholder shall be affixed.

Any blank form or proxy form issued to a shareholder by the board of directors for use by such shareholder for the appointment of a proxy to attend and vote at meetings of the Company shall be in a form that allows the shareholder to freely instruct the proxy to vote in favour of, against or abstain from voting the motions, with such instructions being individually given in respect of each matter to be voted on at the meeting. Such a form shall contain a statement that, in the absence of specific instructions from the shareholder, whether the proxy may vote as he thinks fit. If such statement is not specified in the instrument of proxy, the proxy is deemed to be entitled to vote at his/her discretion for any resolutions that do not have specific instruction from the shareholder, and the shareholder shall assume corresponding responsibility for such vote.

**Article 77.** The Company shall be responsible for preparing the meeting's register which shall include, among other things, the name (or the name of the relevant company) of, the identity document number of and the number of shares with voting rights held by the attendee, and the name of the appointing shareholder (or the name of the relevant company).

**Article 78.** The convener and the lawyer engaged by the Company will jointly verify the legality of shareholders' qualifications based on the register of shareholders provided by the securities registration and clearing institution, and register the names of shareholders and the number of voting shares they hold. Such registration shall be concluded prior to the announcement by the chairperson of the shareholders' meeting of the number of shareholders and their proxies attending the meeting and the total number of their voting shares.

The chairperson of the shareholders' meeting shall, prior to the voting, announce the number of shareholders and proxies attending the meeting and the total number of their voting shares, which shall be the number of shareholders and proxies attending the meeting and the total number of their voting shares as indicated in the meeting's register.

**Article 79.** The Company shall formulate rules of procedures of the shareholders' meeting to specify in detail the procedures of holding and convening of the shareholders' meeting and voting, including notice, registration, deliberation of proposals, voting, vote counting, announcement of voting results, formation of meeting resolutions, meeting minutes and their signing, and announcements, as well as the principles of authorisation by the shareholders' meeting to the board of directors, and the content of authorisation should be clear and specific. The rules of procedures of the shareholders' meeting shall be prepared by the board of directors and approved by the shareholders' meeting.

**Article 80.** At the annual general meeting, the board of directors shall report their work in the past one (1) year to the shareholders' meeting. Each independent director shall also submit an annual work report at the annual general meeting and explain how he/she has performed his/her duties.

Directors and senior management personnel shall provide explanation and illustration for inquiries and suggestions by shareholders at a shareholders' meeting, except for the affairs related to the commercial secrets of the Company.

**Article 81.** Resolutions of shareholders' meetings shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution must be passed by votes representing more than half of the voting rights represented by the shareholders present at the meeting.

A special resolution must be passed by votes representing two-thirds or more of the voting rights represented by the shareholders present at the meeting.

The shareholders referred to in this Article include shareholders who appoint a proxy to attend shareholders' meetings.

**Article 82.** A shareholder, when voting at a shareholders' meeting, may exercise such voting rights as are attached to the number of voting shares which he represents. Except the cumulative voting system for the election of directors pursuant to the provisions of the Article of Association, each share shall have one (1) vote. However, the Company shall have no voting right for the shares held by itself, and such portion of shares shall not be counted towards the total number of voting shares at a shareholders' meeting.

When the shareholders' meeting considers major matters affecting the interests of minority investors, votes shall be counted separately for minority investors. The results of separate counting of votes shall be publicly disclosed in a timely manner.

If a shareholder acquires the Company's voting shares in breach of paragraphs 1 and 2 of Article 63 of the Securities Law, voting rights shall not be exercised for the portion of the shares exceeding the prescribed proportion within thirty-six (36) months after the purchase, and such shares shall not be counted in the total number of shares with voting rights present at the shareholders' meeting.

The Company's board of directors, independent directors, shareholders holding one percent (1%) or more of voting shares, or investor sponsors established in accordance with laws, administrative regulations or the provisions of the securities regulatory authority of the State Council may act as solicitors, or entrust securities companies and securities service agencies, to publicly request the Company's shareholders to entrust it to attend the shareholders' meeting and exercise shareholder's rights such as the right to propose and vote.

In the case of soliciting shareholders' rights in accordance with the preceding paragraph, the solicitor shall fully disclose information such as specific voting intentions and disclose the solicitation documents and the Company shall provide assistance.

It is forbidden to publicly solicit shareholders' rights in a paid or disguised manner. Except for statutory conditions, the Company shall not impose minimum shareholding ratio restrictions on the solicitation of voting rights. In the case of public solicitation of shareholders' rights resulting in the breach of laws, administrative regulations and relevant provisions of the securities regulatory authorities of the State Council and incurring losses of the Company or its shareholders, such solicitor shall bear the compensation obligation in accordance with laws.

The shareholders referred to in paragraph one of this Article include shareholders who appoint a proxy to attend shareholders' meetings.

**Article 83.** When any shareholders' meeting considers matters related to related-party transactions, the related (connected) shareholder (collectively, the "related shareholders") shall not vote and the number of voting shares that he represents shall not be counted as part of the total number of valid votes; the announcement of the resolution of the shareholders' meeting shall fully disclose the votes of non-related shareholders. Related shareholders' abstention from voting and voting procedure for related-party transactions are as follows:

(1) if matters submitted to the shareholders' meeting for consideration involve related-party transactions, the convener shall promptly notify the related shareholders in advance, and the related shareholders shall promptly inform the convener after they become aware of the matters.

- (2) if it is necessary to engage professional accountants and valuers to audit and appraise the related-party transactions or engage independent financial advisors to opine on the same, the convener shall properly disclose at the meeting the results of the audit and appraisal or the opinions of the independent financial advisors.
- (3) the related shareholders may participate in the discussion relating to the related-party transactions and make explanatory statement at the shareholders' meeting regarding the reasons for the related-party transactions, basic information of the transactions and whether the transactions are fair and sound, etc., but they shall abstain from voting at the meeting.

**Article 84.** All votes of shareholders at a shareholders' meeting shall be taken by open ballot.

**Article 85.** Shareholders attending the shareholders' meeting shall present one of the following views on the proposals submitted for voting: for, against or abstention. Except when the securities registration and clearing institutions are the nominal holders of shares subject to the stock connect mechanisms between Mainland China and Hong Kong, declaration may be made according to the intentions of actual holders.

A voting ticket that is incomplete, wrongly completed, illegible, or votes not casted, shall be treated as the voter giving up his/her voting rights. The votes represented by his/her shares shall be treated as "abstention".

**Article 86.** The list of candidates for directors shall be proposed to the shareholders' meeting for voting, when directors are elected at the shareholders' meeting.

Under the following circumstances, the cumulative voting method shall be adopted for the election of directors:

- (1) where the Company elects two (2) or more independent directors;
- (2) where the Company elects two (2) or more directors when a sole shareholder and its concert party are interested in thirty percent (30%) or more in shares of the Company.

The cumulative voting mentioned above represents each share carrying voting rights corresponding to the number of directors when they are elected at the shareholders' meeting, and the shareholders may exercise such voting rights collectively. The voting results of minority investors in relation to the election of independent directors should be separately counted and disclosed. The board of directors shall make an announcement to shareholders on the profile and basic information of the directors to be elected.

Where a proposal in relation to election of directors is passed at a shareholders' meeting, newly appointed directors should assume their office immediately after the close of the relevant shareholders' meeting, or at such time as specified in the resolution of the relevant shareholders' meeting.

**Article 87.** Except for the adoption of cumulative voting system, all resolutions proposed at the shareholders' meetings shall be voted separately, and for different motions on the same matter, voting will be conducted according to the time the motions are proposed. Other than special reasons such as force majeure, which results in the suspension of the shareholders' meeting or makes it impossible to vote on resolutions, the shareholders' meeting shall not set aside the motions and shall vote on them.

**Article 88.** When considering a proposal at the shareholders' meeting, no amendment shall be made thereto. If amended, it shall be treated as a new proposal and shall not be voted at such shareholders' meeting.

The same voting right can only choose one of on-site, Internet or other voting methods. In the event of repeated voting of the same voting right, the first voting result shall prevail.

**Article 89.** Before the voting of the proposals takes place at the shareholders' meeting, two (2) shareholder representatives shall be nominated to count the votes and scrutinise the vote-counting. If the matter to be considered is related to a shareholder, the relevant shareholder and proxies shall not participate in counting the votes or scrutinising the vote-counting.

When resolutions are to be voted at the shareholders' meeting, the counting of votes and scrutinising of the voting-counting shall be conducted by one or more parties involving lawyers, shareholder representatives, the Company's auditor, share registrar of Overseas-Listed Foreign-Invested Shares (H shares) or external auditors qualified to serve as the Company's auditor. The voting results shall be announced during the meeting and the voting results shall be recorded in the minutes of the meeting.

Shareholders of the Company or their proxies who vote through the Internet or other means have the right to check their voting results through the corresponding voting system.

**Article 90.** The following matters shall be resolved by ordinary resolutions at shareholders' meetings:

- (1) work reports of the board of directors;
- (2) profit distribution plans and loss recovery plans formulated by the board of directors;
- (3) election or removal of members of the board of directors, remuneration and manner of payment of such members;
- (4) annual financial final accounts of the Company;
- (5) appointment or dismissal of the accountancy firms engaged to conduct the Company's audit, the non-reappointment of such accountancy firms of the Company, and the remuneration of the accountancy firms or the method of determining their remuneration;
- (6) matters other than those which are required by the laws, administrative regulations, departmental rules, relevant regulatory documents and the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed or by the Company's Articles of Association to be adopted by special resolution.

**Article 91.** The following matters shall be resolved by a special resolution at a shareholders' meeting:

- (1) the increase or reduction in registered capital;
- (2) the division, spin-off, merger, dissolution and liquidation of the Company or change of corporate form of the Company;
- (3) amendment of the Company's Articles of Association;
- (4) the consideration and approval of matters relating to the Company's purchases or disposals of material assets or the provision of guarantees to others within one (1) year, the transaction value of which are more than thirty percent (30%) of the latest audited total assets of the Company;
- (5) the consideration of the share incentive scheme;
- (6) any other matter resolved by way of an ordinary resolution by shareholders in a shareholders' meeting which the shareholders consider may have a material impact on the Company and should be adopted by a special resolution;

(7) other matters to be resolved by special resolutions as required by laws, administrative regulations, departmental rules, relevant regulatory documents and the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed or the Articles of Association.

**Article 92.** The shareholders' meetings shall be convened by the board of directors, and the board of directors shall convene the shareholders' meeting on time within the prescribed period. The audit committee or shareholders may convene the shareholders' meeting on their own initiative, subject to the relevant requirements specified in these Articles of Association.

**Article 93.** Upon deliberation at a special meeting of independent directors and approval of more than half of all independent directors, independent directors have the right to propose to the board of directors to convene extraordinary general meetings. The board of directors shall reply in writing agreeing or disagreeing to convene an extraordinary general meeting within ten (10) days upon receipt of such proposal in accordance with the laws, administrative regulations and the Articles of Association. If the board of directors agrees to convene an extraordinary general meeting, notice to convene such meeting shall be issued within five (5) days after the resolution to convene an extraordinary general meeting is adopted by the board of directors. The board of directors shall provide reasons and announce them if it decides not to convene an extraordinary general meeting.

**Article 94.** The audit committee has the right to propose to the board of directors to convene extraordinary general meetings and such proposal shall be made by way of written request(s). The board of directors shall reply in writing agreeing or disagreeing to convene an extraordinary general meeting within ten (10) days upon receipt of such proposal in accordance with the laws, administrative regulations and the Articles of Association.

If the board of directors agrees to convene an extraordinary general meeting, notice to convene such meeting shall be issued within five (5) days after the resolution to convene an extraordinary general meeting is adopted by the board of directors. Any changes to the original proposal in the notice require the consent of the audit committee.

If the board of directors decides not to convene an extraordinary general meeting or does not reply within ten (10) days upon receipt of such proposal, the board of directors will be deemed as unable or having failed to fulfill the obligation to convene shareholders' meetings and the audit committee may convene and preside over the meeting on its own.

**Article 95.** Shareholders individually or collectively holding ten percent (10%) or above of the Company's issued voting shares have the right to request the board of directors in writing to convene an extraordinary general meeting and to add proposals to the meeting agenda. Shareholders who request for the convening of an extraordinary general meeting shall comply with the following procedures:

- (1) The board of directors shall reply in writing agreeing or disagreeing to convene an extraordinary general meeting within ten (10) days upon receipt of such request in accordance with laws, administrative regulations and the Articles of Association.

If the board of directors decides to convene an extraordinary general meeting, a notice to convene such meeting shall be issued within five (5) days after the resolution to convene an extraordinary general meeting is adopted by the board of directors. Any changes to the original request in the notice require the consent of the Requesting Shareholders.

- (2) If the board of directors decides not to convene an extraordinary general meeting or does not reply within ten (10) days upon receipt of such request, the Requesting Shareholders proposing to the audit committee to convene an extraordinary general meeting should do so by way of written request(s).

If the audit committee decides to convene an extraordinary general meeting, a notice to convene such meeting shall be issued within five (5) days upon receipt of such request. Any changes to the original request in the notice require the consent of the relevant Requesting Shareholders.

- (3) If the audit committee does not issue the notice of the shareholders' meeting within the required period, it will be deemed as having failed to convene and preside over the shareholders' meeting, and shareholders individually or jointly holding ten percent (10%) or more of the issued voting shares of the Company for ninety (90) consecutive days or more (the "Convening Shareholder") have the right to convene and preside over the meeting on their own.

In the event where shareholders convene a shareholders' meeting on their own initiative, the Convening Shareholder must hold no lower than ten percent (10%) of the issued voting shares in the Company immediately before the resolution of such meeting is announced.

**Article 96.** If the audit committee or the Convening Shareholders decide to convene the shareholders' meeting on their own initiative, they shall notify the board of directors in writing and file with the Shanghai Stock Exchange.

The audit committee or the Convening Shareholders shall provide the relevant evidencing materials to the Shanghai Stock Exchange when issuing the notice convening the shareholders' meeting and making announcement of resolutions resolved at the shareholders' meeting.

With regard to the shareholders' meeting convened by the audit committee or Convening Shareholders on their own initiative, the board of directors and the secretary to the board of directors will provide assistance. The board of directors shall provide the register of shareholders as at the record date for the registration of shareholding. If the board of directors fails to provide the register of shareholders, the convener may apply to the securities registration and clearing institution to obtain the same on the strength of the relevant announcement notifying the convening of the shareholders' meeting. The register of shareholders obtained by the convener may not be used for any purpose other than to hold the shareholders' meeting.

All reasonable expenses necessary for the audit committee or the Convening Shareholders to convene a shareholders' meeting on their own initiative shall be borne by the Company and shall be deducted from the sums owed by the Company to the defaulting directors.

**Article 97.** The shareholders' meetings shall be convened by the board of directors and be presided over and chaired by the Chairperson of the board of directors; if the Chairperson of the board of directors is unable to or fails to perform such duty, the meeting shall be presided over and chaired by one (1) director who has been designated by the Chairperson to exercise such powers on his/her behalf. If the Chairperson fails to perform his/her power and to designate other directors to exercise such powers on his/her behalf for any reason, one (1) director can be jointly elected by more than half of the directors to preside over and chair the meeting. If for any reason the directors are unable to elect the chairperson of the meeting, shareholders present shall choose one (1) person to act as the chairperson of the meeting. If for any reason the shareholders fail to elect a chairperson, then the shareholder (including a proxy) holding the largest number of shares carrying the right to vote thereat shall be the chairperson of the meeting.

The shareholders' meeting convened by the audit committee on its own initiative shall be presided over and chaired by the convener of the audit committee. If the convener of the audit committee is unable or fails to perform his/her duties, the shareholders' meeting shall be presided over and chaired by one (1) member of the audit committee jointly nominated by more than half of the members of the audit committee.

The shareholders' meeting convened by shareholders on their own initiatives shall be presided over and chaired by the Convening Shareholder or the representative he/she nominates. If the chairperson of the shareholders' meeting breaches the rules of procedures, which renders shareholders' meeting unable to proceed, one (1) person may be nominated at the shareholders' meeting to act as the chairperson and preside over the meeting subject to the consent of more than half of the shareholders with voting rights at the shareholders' meeting, and continues the meeting.

When the shareholders' meeting requires directors and senior management personnel to attend the meeting, the directors and senior management personnel shall attend and address shareholders' inquiries.

**Article 98.** The closing time of the shareholders' meeting shall not be earlier than that of such shareholders' meeting held via the Internet or other methods, and the chairperson of the meeting shall announce the details of votes and relevant results for each proposal and announce whether the proposal has been passed according to the voting results.

Prior to the official announcement of the voting results, the companies, vote counting officers, scrutineers, shareholders, network service providers and other parties involved in the shareholders' meeting site, the Internet and other voting methods shall have the obligation to keep the voting confidential.

**Article 99.** If the chairperson of the meeting has any doubt as to the result of a resolution which has been put to vote at a shareholders' meeting, he may have the votes counted. If the chairperson of the meeting has not counted the votes, any shareholder who is present in person or by proxy and who objects to the result announced by the chairperson of the meeting may, immediately after the declaration of the voting result, demand that the votes be counted and the chairperson of the meeting shall conduct such a count immediately.

**Article 100.** Minutes of shareholders' meetings shall be prepared by the secretary to the board of directors. The minutes shall contain the following items:

- (1) the number of shareholders and their proxies attending the meeting, their total number of voting shares and the percentage of the total number of shares of the Company they represent;
- (2) the venue, time, agenda of the meeting, and the name of the convener of the meeting;
- (3) the name of the chairperson of the meeting, and the names of directors and senior management personnel present at the meeting;
- (4) in respect of a resolution of a proposal submitted by a shareholder, the name and shareholding of such shareholder and contents of such proposal;

- (5) the discussions of each proposal, key points and the voting results;
- (6) the queries or recommendations from the shareholders and the corresponding responses or explanations;
- (7) the names of lawyers, vote counting officers and scrutineers;
- (8) other matters which shall be recorded in the minutes of the meeting in accordance with the Articles of Association.

**Article 101.** The minutes of the meeting shall be signed by directors, secretary to the board of directors, convener or its representatives and the chairperson of the meeting attending or present at the meeting who shall ensure that the minutes of the meeting are true, accurate and complete. The minutes together with the valid materials including the signature book of shareholders attending the meeting, the instrument of proxy and the voting via Internet and other methods shall be filed with the Company and shall be kept by the secretary to the board of directors in accordance with the filling management system of the Company. The minutes of the meeting shall be kept for at least ten (10) years from the date of the meeting.

**Article 102.** The convener shall ensure that the shareholders' meeting continues until the final resolution has been made. If a shareholders' meeting is suspended or if it is unable to reach a resolution due to force majeure or other such special reasons, necessary measures shall be taken to resume the shareholders' meeting as soon as possible or the shareholders' meeting shall be directly adjourned and the same shall be announced in a timely manner. Meanwhile, the convener shall report the same to the branch office of the securities regulatory authorities of the State Council where the Company is domiciled and the Shanghai Stock Exchanges.

**Article 103.** The resolutions of the shareholders' meeting shall be announced promptly. Such announcement shall specify the number of shareholders and proxies present at the meeting, the total number of voting shares held by them, the percentage of such voting shares in relation to all the voting shares of the Company, the total number of shares required by the Securities Regulatory Authorities in the places where the Company's shares are listed to abstain from voting in favor and/or abstain from voting (if any), whether shareholders required to abstain from voting have in fact abstained, the voting methods, the voting result of each proposal, details of each resolution passed and the identities of scrutineers for vote-counting.

If the proposal is not passed, or the resolution of the previous shareholders' meeting is changed at this shareholders' meeting, a special notice shall be made in the announcement of the resolution of the shareholders' meeting.

**Article 104.** The Company shall engage lawyers to issue their legal opinions and make an announcement on the following issues during a shareholders' meeting:

- (1) whether the procedures relating to the convening and holding of such meeting comply with the laws, administrative regulations and the Articles of Association;
- (2) the legality and validity of the qualifications of the attendees and the convener of the meeting;
- (3) the legality and validity of the voting procedures and voting results;
- (4) legal opinions issued on other relevant matters as requested by the Company.

**Article 105.** If a resolution on the distribution of a cash dividend, bonus shares or the capitalisation of the capital common reserve has been passed at a shareholders' meeting, the Company will implement such resolution within two (2) months after the conclusion of shareholders' meeting.

## **CHAPTER 9: DIRECTORS AND BOARD OF DIRECTORS**

**Article 106.** The Company shall have a board of directors, which shall consist of twelve (12) directors. The directors need not hold shares in the Company. Among the members of the board of directors, external directors (referring to directors who do not hold any positions within the Company, the same below) should account for half or more of the board members, of which independent directors (representing directors who do not have any direct or indirect interest in the Company, substantial shareholders or de facto controllers, or any other relationships that may affect its independent and objective judgment and do not hold any positions within the Company) shall account for not less than one third of the board members. Independent directors shall include at least one (1) accounting professional who meets the requirements of the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed.

The members of the board of directors shall include one (1) employee director, who shall be democratically elected by the employees of the Company through employees' representative meeting or other means; the total number of executive directors and employee directors shall not exceed half of the total number of directors of the Company.

The board of directors shall have one (1) Chairperson, who shall be elected by the board of directors by more than half of the votes of all directors.

**Article 107.** The board of directors shall formulate the rules of procedures of the board of directors, so as to ensure the board of directors implements the resolutions adopted at the shareholders' meeting, improves work efficiency and ensures scientific decision-making. The rules of procedures of the board of directors formulated by the board of directors shall be approved at the shareholders' meeting.

**Article 108.** Employee directors shall be democratically elected or replaced by the employees' representative meeting of the Company or other means, and other directors shall be elected or replaced at the shareholders' meeting for a term of three (3) years. At the expiry of a director's term, the director may stand for re-election and reappointment for a further term. However, independent directors shall not serve for more than six (6) consecutive years.

The term of a director shall be calculated from the date upon which the director assumes office to the expiry of the current board of directors. If the term of office of a director expires but re-election is not made responsive, the said director shall continue fulfilling the duties as director pursuant to laws, administrative regulations, departmental rules, relevant regulatory documents, the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed and provisions of the Articles of Association until a newly elected director assumes office.

Directors may concurrently serve as senior management, but the total number of directors who concurrently serve as senior management and directors who are employee representatives shall not exceed half of the total number of directors of the Company.

The Chairperson of the board of directors shall be elected by a majority of all directors, and the term of office of the Chairperson shall be three (3) years, and upon expiry of the term, the Chairperson may stand for re-election and reappointment for a further term.

**Article 109.** The method of, and procedure for, the nomination of directors are as follows:

- (1) The list of candidates for directors shall be submitted to the shareholders' meeting for voting by way of proposal, and shall be passed by an ordinary resolution.

Candidates for independent directors of the Company shall be nominated by the board of directors of the Company, or by shareholders holding, individually or collectively, one percent (1%) or more of the issued shares of the Company. However, nominators shall not nominate persons with whom they have an interest relationship or other close relationship that may affect such persons' ability to independently perform their duties as candidates for independent directors. Investor protection agencies established in accordance with the law may publicly request shareholders to entrust them with the right to nominate independent directors.

The Company's other director candidates shall be nominated by the Company's board of directors, audit committee, and shareholders holding, individually or collectively, one percent (1%) or more of the issued shares of the Company.

- (2) The written notice concerning the nomination of the director candidate and the intention of such candidate to accept the said nomination, shall be sent to the Company seven (7) days before the shareholders' meeting is held.
- (3) Director candidates shall, prior to the issue of the notice of the shareholders' meeting, provide a written undertaking to accept the nomination, confirm that the information of the candidate to be publicly disclosed is true, accurate and complete, and undertake that they will duly perform their duties as directors upon election.
- (4) Nine (9) members of the first session of the board of directors shall be nominated by the promoters of the Company and elected at the Company's inaugural meeting. The number of directors elected for each subsequent session of the board of directors shall not be less than that stipulated in Article 106 of the Articles of Association or more than the maximum determined at the shareholders' meeting by an ordinary resolution. Where the number of directors elected by voting exceeds the maximum number of directors proposed, directors shall be appointed according to the maximum number proposed and on the basis that those who get the highest votes shall be appointed.

**Article 110.** Subject to compliance with all relevant laws, administrative regulations and the Articles of Association, the shareholders' meeting may by ordinary resolution remove any director prior to the expiration of such director's term of office and such removal shall take effect on the date of passing the resolution. However, such director's right to claim for damages pursuant to any contract entered into with the Company shall not be affected. A director may claim compensation from the Company if he or she is removed from office before the expiration of the term without a legitimate reason.

**Article 111.** The Chairperson of the board of directors shall be removed by more than half of all of the members of the board of directors.

The external directors shall have sufficient time and necessary knowledge and ability to perform their duties. When an external director performs his/her duties, the Company must provide necessary information and independent directors may directly report to the shareholders' meeting, the securities regulatory authority under the State Council and other relevant departments.

**Article 112.** The directors may resign before the expiration of the term of office. The resigning director shall submit a written resignation report to the Company. The resignation shall take effect on the date the Company receives the resignation report, and the Company shall disclose the relevant situation within two (2) trading days.

If the resignation of a director leads to the following circumstances, the original director shall continue to perform the duties of a director in accordance with laws, administrative regulations, departmental rules, relevant regulatory documents, the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed and the Articles of Association, until the newly elected director takes office:

- (1) where the term of office of a director has expired and no re-election has been carried out in a timely manner, or where a director resigns during his/her term of office, resulting in the number of members of the board of directors falling below the minimum number required by law;
- (2) the resignation of an audit committee member results in the number of audit committee members falling below the minimum number required by law or a lack of accounting professionals.
- (3) the proportion of independent directors on the Company's board of directors or its special committees does not comply with laws and administrative regulations or the provisions of the Articles of Association, or there is a lack of accounting professionals among the independent directors, due to the resignation of an independent director.

**Article 113.** If any director fails to attend the meetings of the board of directors in person or by proxy for two (2) consecutive times, the said director shall be deemed incapable of performing his/her duties, and the board of directors shall suggest that the shareholders' meeting remove the said director.

Attendance in person includes attending physical meetings or attending meetings by telecommunication means.

If any director fails to attend the meetings of the board of directors in person for two (2) consecutive times, or if the number of meetings not attended in person exceeds half of the total number of board meetings during any consecutive twelve (12) months of his/her term of office, the director shall provide a written explanation and make a public disclosure.

**Article 114.** If the board of directors appoints a new director to fill a vacancy on the board, such person, who is appointed by the board of directors to fill the casual vacancy or increase the number of board members, shall hold office only until the first annual general meeting after his or her appointment and shall be eligible for re-election at that time, provided that it does not violate the laws, administrative regulations, departmental rules, relevant regulatory documents and the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed.

**Article 115.** The board of directors is accountable to the shareholders' meeting and exercises the following functions and powers:

- (1) to be responsible for the convening of the shareholders' meetings and to report on its work to the shareholders' meeting;
- (2) to implement the resolutions passed by the shareholders' meeting;
- (3) to determine the Company's business plans, investment proposals and annual financial budgets;
- (4) to formulate the Company's annual financial final accounts;
- (5) to formulate the Company's profit distribution proposal and loss recovery proposal;
- (6) to formulate the Company's debt and financial policies, proposals for the increase or reduction of the Company's registered capital, for the issuance of the Company's debentures or other securities, and for public offering;
- (7) to draw up the Company's material acquisition and disposal proposals, purchase of the Company's shares and plans for the merger, division or dissolution of the Company or change of corporate form;

- (8) to determine the matters such as the external investments, acquisitions and disposals of assets, pledge of assets, external guarantees, entrusted financial management product, related-party transactions and external donation within the scope of authorisation by the shareholders' meeting;
- (9) to decide on the Company's internal management structure;
- (10) to decide on the appointment or removal of the Company's president and to decide on the appointment or removal of the executive vice presidents, and chief financial officer and other senior management personnel of the Company based on the recommendations of the president; to decide on the appointment or removal of the secretary of the board of directors, and to decide on the remuneration and the awards and penalties of persons above;
- (11) to formulate proposals for amendment of the Company's Articles of Association;
- (12) to formulate the basic management structure of the Company;
- (13) to manage information disclosures of the Company;
- (14) to propose at the shareholders' meetings for appointment or replacement of an accountancy firm to conduct an audit for the Company;
- (15) listening to the work report of the president of the Company and examining the work thereof;
- (16) except matters that the Company Law and these Articles of Association require to be resolved by the shareholders' meeting, to decide on other material and administrative matters of the Company and to execute other material agreements;
- (17) to perform any other functions or exercise any other powers conferred by laws, administrative regulations, departmental rules, relevant regulatory documents, the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed, the Articles of Association or as authorised by the shareholders' meeting.

Matters beyond the scope of authorisation by the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.

**Article 116.** Prior to making decisions on material issues of the Company, the board of directors shall seek advice from the Party organisations. When the board of directors appoints senior management personnel of the Company, the Party organisations shall consider and provide comments on the candidates for management positions nominated by the board of directors or the president, or recommend candidates to the board of directors and/or the president.

**Article 117.** The board of directors of the Company shall make explanations to the shareholders' meeting in relation to the non-standard audit opinions expressed by the certified public accountants in the financial reports of the Company.

**Article 118.** Any related-party transactions between the Company and its related parties that are required to be submitted to the board of directors for its deliberation in accordance with laws, administrative regulations, relevant regulatory documents, the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed, the Articles of Association and other corporate governance documents, shall be approved by the board of directors. The Company's material related-party transactions shall be disclosed in accordance with relevant laws, administrative regulations and relevant requirements of the Securities Regulatory Authorities in the places where the Company's shares are listed.

The director, affiliated with companies involved in matters resolved by the Board meeting, shall promptly report it in writing to the board of directors. The affiliated director shall not exercise his/her own voting rights on such resolutions, or represent other directors to do so. A meeting of the board of directors may be held with the presence of more than half of all the non-related directors. A resolution adopted at such a meeting shall be passed by more than half of all the non-related directors. If the number of non-related directors present is less than three (3), the matter shall be submitted to the shareholders' meeting for deliberation.

**Article 119.** Before the board of directors makes a decision on market development, merger and acquisition, investment in new areas, etc., in relation to projects involving an investment amount or asset value of the acquisition or merger amounting to ten percent (10%) or more of the total assets of the Company, an independent consulting agency shall be engaged to provide its professional opinions which shall form an important basis of the decisions of the board of directors.

**Article 120.** The Chairperson of the board of directors shall exercise the following powers:

- (1) to preside over shareholders' meetings, to convene and preside over meetings of the board of directors and to arrange the chairperson of the special committees under the board of directors (or the convener) to answer questions at the shareholders' meeting, and if the chairperson of the special committees under the board of directors (or the convener) is absent, other members of the special committee shall answer questions on his/her behalf;
- (2) to organise the implementation of the duties of the board of directors and to check on the implementation status of resolutions passed by the board of directors at its meetings;
- (3) to sign important documents of the board of directors and other documents signed by the legal representative of the Company;
- (4) to exercise other powers conferred by the board of directors.

When the Chairperson is unable to exercise his/her powers, such powers shall be exercised by one (1) director who has been designated by the Chairperson to exercise such powers on his/her behalf. If the Chairperson fails to perform his/her power and to designate other directors to exercise such powers on his/her behalf for any reason, one (1) director can be jointly elected by more than half of the directors to perform such powers on the Chairperson's behalf.

**Article 121.** Meetings of the board of directors shall be held at least two (2) times every year and shall be convened by the Chairperson of the board of directors. All of the directors should be notified about the meeting ten (10) days beforehand.

**Article 122.** The Chairperson of the board of directors shall convene the extraordinary meeting of the board of directors within ten (10) days under the one of the following circumstances:

- (1) upon request by the shareholders representing one-tenth or more voting rights;
- (2) upon request by the Chairperson of the board of directors;
- (3) upon request by one-third or more of the directors;
- (4) upon the deliberation at a special meeting of the independent directors and approval of more than half of all the independent directors;
- (5) upon request by the audit committee;

- (6) upon request by the president of the Company;
- (7) when other circumstances are required by laws, administrative regulations, departmental rules, relevant regulatory documents, the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed and provisions of the Articles of Association.

When the board of directors convenes an extraordinary meeting of the board of directors, the board of directors shall announce the notice within five (5) days prior to the meeting. In urgent cases where there is a need to convene an extraordinary meeting of the board of directors as soon as possible, the notice convening the meeting may be given at any time, but the convener shall make an explanatory statement at the meeting.

**Article 123.** Notice of meetings of the board of directors shall be delivered as follows:

- (1) The notice of the meeting shall be served to the directors by telex (including emails), by telegram, by fax, by express courier service or by registered mail or in person, unless otherwise provided for in Article 122 of the Articles of Association.
- (2) Notice of meetings may be served in Chinese, with an English translation attached thereto when necessary, and in each case accompanied by a meeting agenda. A director may waive his/her right to receive notice of a board meeting.
- (3) The notice of the meeting of the board of directors shall include the following contents:
  1. the date and venue of the meeting;
  2. the duration of the meeting;
  3. the issues and proposals;
  4. the date of issuing the notice.

**Article 124.** In strict compliance with the required procedures, all directors must be notified about the material matters that must be decided by the board of directors within the time limit stipulated in Article 121 and Article 122 of the Articles of Association, and sufficient materials must be provided at the same time. Directors may request for supplementary information. If one-fourth or more of the total number of directors or two (2) or more external directors (including independent directors) consider that the materials provided are not sufficient or the supporting arguments are not clear, they may jointly propose in writing to postpone the meeting or postpone the discussion of certain matters on the agenda of the meeting and the board of directors shall accept such proposal.

Notice of a meeting shall be deemed to have been given to any director who attends the meeting and does not protest against, before or at its commencement, any lack of notice.

**Article 125.** Unless otherwise provided in the Articles of Association, a board of directors meeting shall only be convened if more than half of the board of directors are present (including any directors appointed pursuant to Article 126 to attend the meeting as the representatives of other directors). Each director has one (1) vote. All resolutions require the affirmative votes of more than half of all the board of directors in order to be passed.

**Article 126.** Directors shall attend the meetings of the board of directors in person. Where a director is unable to attend a meeting for any reason, he may by a written power of attorney appoint another director to attend the meeting on his/her behalf (however, if an independent director is unable to attend the meeting in person, he/she shall authorise another independent director to attend the meeting on his/her behalf). The power of attorney shall set out the name of the proxy, entrusted matters, the scope of the authorisation and the effective period, and shall be signed or sealed by the appointing director. One (1) director shall not accept appointment by more than two (2) directors to attend one (1) meeting, and an independent director shall not appoint a non-independent director to attend the meeting on his/her behalf.

A director appointed as the representative of another director to attend the meeting shall exercise the rights of a director within the scope of authority conferred by the appointing director. Where a director is unable to attend a meeting of the board of directors and has not appointed the representative to attend the meeting on his/her behalf, he shall be deemed to have waived his/her right to vote at the meeting.

Expenses incurred by a director for attending a meeting of the board of directors shall be paid by the Company. These expenses include the costs of transportation between the premises of the director and the venue of the meeting in different cities and accommodation expenses during the meeting. Rent of the meeting place, local transportation costs and other reasonable out-of-pocket expenses shall be paid by the Company.

**Article 127.** A board of directors meeting shall be held by way of physical meeting in principle. In circumstances where opinions of directors are sufficiently conveyed, a board of directors meeting may, with the approval of the convener (moderator) and proposer, adopt the forms of video conference or teleconference or deliberation in writing, and may also adopt the forms of physical meeting and other forms simultaneously if necessary.

Where the meeting is not held by way of physical meeting, the number of the directors who attend the meeting shall be counted according to directors present via video conference or directors proposing comments in the conference calls or faxes or emails and other written certificate documents actually received within a prescribed time limit.

Where a board of directors meeting is held via video or telephone, it shall be ensured that directors at the meeting can hear others clearly and communicate with others normally.

The voting methods at a meeting of the board of directors are as follows: vote by poll in writing or vote by a show of hands (or voice vote). Each director has one vote. The meeting held by way of physical meeting shall adopt the method of voting by poll in writing or voting by a show of hands (or voice vote). The meeting held via video or telephone may adopt the method of voting by a show of hands (or voice vote), but directors who attend the meeting shall record the vote in writing as soon as possible, and the directors' voting by a show of hands (or voice vote) shall have the same effect with the vote in writing; however, if the certificate of the vote in writing (if any) is inconsistent with the voting opinion expressed by vote by a show of hands (or voice vote) during the meeting held via video or telephone, the voting opinion expressed during the meeting held via video or telephone shall prevail. A meeting held by way of written resolutions shall adopt the method of voting by poll in writing, and directors who vote shall fulfill relevant signing procedures within the valid period stated in the notice of the meeting.

**Article 128.** The board of directors shall keep minutes of matters considered and resolutions passed at meetings of the board of directors in Chinese. The minutes of the meetings of board of directors shall include the followings:

- (1) the date, venue, the names of the convener and chairperson of the meeting;
- (2) the names of the directors attending the meeting in person or by proxy and the names of their proxies;
- (3) the agenda of the meeting;
- (4) the main points of directors' speeches (for a meeting by written resolution, the directors' opinions in writing shall prevail);

- (5) the voting method and result of each resolution (the voting result shall specify the number of votes for, against or abstention);
- (6) other matters deemed as necessary by the directors to be recorded;
- (7) signatures of the directors.

**Article 129.** Opinions of the independent directors shall be clearly stated in the resolutions of the board of directors and the minutes of the board meeting. Independent directors should sign the meeting minutes for confirmation. The minutes of each board meeting shall be provided to all the directors promptly for directors to express their opinions. After the minutes have been finalised, they shall be signed by the directors present at the meeting, the secretary of the board and by the person who recorded the minutes.

**Article 130.** The minutes of board meetings shall be kept at the registered address of the Company in the PRC and a complete copy of the minutes shall be promptly sent to each director. Minutes of the meetings of board of directors shall be kept by the secretary of the board of directors and filed with the Company for at least ten (10) years from the date of the meeting.

**Article 131.** The directors shall be liable for the resolutions of the board of directors. If a resolution of the board of directors violates the laws, administrative regulations, the Company's Articles of Association, or resolutions of the shareholders' meeting, causing serious losses to the Company, the directors who participated in the passing of such resolution are liable to compensate the Company therefore such losses. However, if it has been proven that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be released from such liability.

**Article 132.** In the absence of specification in the Articles of Association or legitimate authorisation by the board of directors, no director shall act in his/her personal capacity on behalf of the Company or the board of directors. When a director acts in his/her personal capacity, but a third party may reasonably believe that the director is representing the Company or the board of directors, that director shall declare his/her stance and identity in advance.

**Article 133.** Where a director, in discharging his/her duties with the Company, causes damage to others, the Company shall be liable for compensation; where the director acts intentionally or with gross negligence, he/she shall also be liable for compensation.

Where a director, in discharging his/her duties with the Company, causes damage to the Company in violation of relevant laws, administrative regulations, departmental rules or the Articles of Association, he/she shall be liable for compensation.

**Article 134.** Independent directors shall perform their duties diligently in accordance with laws, administrative regulations, the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed and the Articles of Association, and shall play a role in decision-making, supervision and checks and balances, and professional consultation in the board of directors, so as to safeguard the overall interests of the Company and protect the legitimate rights and interests of minority shareholders.

**Article 135.** Independent directors must maintain independence. The following persons shall not be appointed as an independent director:

- (1) persons holding office in the Company or its affiliates and their spouses, parents, children or persons with major social relations;
- (2) natural person shareholders who directly or indirectly hold one percent (1%) or more of the Company's issued shares or who are among the Company's top ten shareholders, and their spouses, parents or children;
- (3) persons who hold positions in shareholders who directly or indirectly hold five percent (5%) or more of the Company's issued shares or any of the Company's top five (5) shareholders, and their spouses, parents or children;
- (4) persons who hold positions in the subsidiaries of the Company's controlling shareholder or de facto controller, and their spouses, parents or children;
- (5) persons who have material business dealings with the Company and its controlling shareholders, de facto controllers or their respective subsidiaries, or persons who hold positions in entities that have material business dealings with the Company and its controlling shareholders and de facto controllers;
- (6) persons who provide financial, legal, consulting, sponsorship and other services to the Company and its controlling shareholders, de facto controllers or their respective subsidiaries, including but not limited to all project team members of intermediary agencies providing such services, reviewers at all levels, signatories on reports, partners, directors, senior management personnel and persons in charge;
- (7) persons who have been in any of the circumstances listed in clauses (1) to (6) of this Article within the last twelve months;
- (8) other persons who are not independent pursuant to laws, administrative regulations, the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed and the Articles of Association.

The subsidiaries of the Company's controlling shareholders and de facto controllers in clauses (4) to (6) of the preceding paragraph do not include enterprises which are controlled by the same state-owned asset management organisation as the Company and which do not constitute an affiliation with the Company in accordance with the relevant regulations.

Independent directors shall conduct self-inspection on their independence annually and submit the self-inspection report to the board of directors. The board of directors shall annually assess the independence of the incumbent independent directors and issue a special opinion, which shall be disclosed simultaneously with the annual report.

**Article 136.** A person acting as an independent director of the Company shall meet the following conditions:

- (1) be qualified as a director of a listed company in accordance with laws, administrative regulations and other relevant regulations;
- (2) in compliance with the independence requirements stipulated in the Articles of Association;
- (3) having basic knowledge of the operation of listed companies and being familiar with relevant laws, administrative regulations and the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed;
- (4) having five years or more of work experience such as in law, accounting or economics, which is necessary for performing the duties of an independent director;
- (5) having good personal integrity without record of serious dishonesty or other adverse conduct;
- (6) other conditions stipulated by laws, administrative regulations, the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed and the Articles of Association.

**Article 137.** As a member of the board of directors, independent directors owe duties of loyalty and diligence to the Company and all shareholders, and shall prudently perform the following duties:

- (1) to participate in the decision-making of the board of directors and express clear opinions on matters discussed;
- (2) to supervise potential major conflicts of interest between the Company and its controlling shareholder, de facto controller, directors and senior management personnel, and protect the legitimate rights and interests of minority shareholders;

- (3) to provide professional and objective advice on the Company's operation and development to promote the improvement of the board of directors' decision-making level;
- (4) other duties stipulated by laws, administrative regulations, the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed and the Articles of Association.

**Article 138.** Independent directors shall exercise the following special powers:

- (1) to independently appoint intermediaries to audit, consult or verify specific matters of the Company;
- (2) to propose to the board of directors to convene an extraordinary general meeting;
- (3) to propose convening a board meeting;
- (4) to publicly solicit rights from shareholders in accordance with the law;
- (5) to express independent opinions on matters that may harm the interests of the Company or minority shareholders;
- (6) other powers stipulated by laws, administrative regulations, the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed, and the Articles of Association.

The independent directors shall obtain the consent of over half of all the independent directors in exercising any of the powers listed in clauses (1) to (3) of the preceding paragraph.

If an independent director exercises the powers listed in paragraph one, the Company shall disclose it in a timely manner. If the above-mentioned powers cannot be exercised normally, the Company will disclose the specific circumstances and reasons.

**Article 139.** The following matters shall be submitted to the board of directors for deliberation after obtaining the approval of more than half of all the independent directors of the Company:

- (1) related-party transactions that should be disclosed;
- (2) proposals for the Company and the relevant parties to change or waive their undertakings;
- (3) where the Company is being acquired, decisions to be made and measures to be taken by the board of directors of the Company in respect of the acquisition;

- (4) other matters stipulated by laws, administrative regulations, the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed and the Articles of Association.

**Article 140.** The Company shall establish a special meeting mechanism composed entirely of independent directors. If the board of directors considers matters such as related-party transactions, they shall be approved in advance by a special meeting of the independent directors.

The Company shall convene special meetings of the independent directors on a regular or ad hoc basis. The matters listed in clauses (1) to (3) of paragraph one of Article 138 and in Article 139 of the Articles of Association shall be considered at a special meeting of the independent directors.

The special meeting of the independent directors may, as needed, research and discuss other matters of the Company.

The special meetings of the independent directors shall be convened and presided over by an independent director jointly elected by over half of the independent directors; in the event that the convener fails to or is unable to perform his/her duties, two (2) or more independent directors may convene and elect a representative to preside over the meeting on their own.

Minutes shall be made for special meetings of the independent directors in accordance with regulations, and the opinions of independent directors shall be recorded in the minutes. Independent directors shall sign to confirm the meeting minutes.

The Company provides convenience and support for the convening of special meetings of the independent directors.

**Article 141.** The board of directors shall have audit, remuneration and nomination committees, and other special committees may be established where necessary (collectively referred to as "special committees"). Special committees shall perform duties in accordance with the Articles of Association and the authorisation of the board of directors and submit proposals for the consideration and decision of the board of directors.

All members of special committees shall be comprised of directors, among which independent directors shall account for more than half of the members and act as the convener in the audit committee, nomination committee and remuneration committee.

The board of directors shall be accountable to the formulation of working procedures of special committees to regulate their operations.

**Article 142.** The board of directors of the Company shall set up an audit committee to exercise the functions and powers of the supervisory committee as stipulated in the Company Law.

**Article 143.** Members of the audit committee shall consist of three (3) or more directors who are not senior management personnel of the Company, among whom independent directors shall constitute more than half of the members, and an accounting professional among the independent directors shall serve as the convener. Employee directors may become members of the audit committee.

The composition of the audit committee shall comply with the applicable requirements of the Listing Rules as amended from time to time.

**Article 144.** The audit committee is responsible for reviewing the financial information of the Company and the disclosure thereof and supervising and assessing the internal and external auditing work and internal control. The following matters shall be submitted to the board of directors for consideration with the approval of more than half of the members of the audit committee:

- (1) disclosing financial accounting reports, financial information in periodical reports, and internal control evaluation reports;
- (2) appointing or dismissing the accounting firm providing audit services to the Company;
- (3) appointing or dismissing the person in charge of financial affairs of the Company;
- (4) modifying accounting policies or accounting estimates, or correcting material accounting errors due to reasons other than changes in accounting standards;
- (5) other matters stipulated by laws, administrative regulations, the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed, and the Articles of Association.

**Article 145.** The audit committee shall convene at least one (1) meeting quarterly. An extraordinary meeting may be convened upon the proposal of two (2) or more members, or whenever the convener deems it necessary. The meeting of the audit committee shall not be held unless two-thirds or more of its members are present.

A resolution of the audit committee shall be passed by more than half of the members of the audit committee.

Each member of the audit committee shall have one vote in voting on resolutions of the audit committee.

The audit committee resolutions shall be recorded in the minutes of the meeting as required, and the members of the audit committee attending the meeting shall sign the minutes.

The working procedures of the audit committee shall be formulated by the board of directors.

**Article 146.** The nomination committee is responsible for formulating the selection criteria and procedures for directors and senior management personnel, selecting and reviewing candidates for directors and senior management personnel and their qualifications, and making recommendations to the board of directors on the following matters:

- (1) nominating or appointing or removing directors;
- (2) appointing or dismissing senior management personnel;
- (3) other matters stipulated by laws, administrative regulations, the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed and the Articles of Association.

If the board of directors fails to adopt the recommendations of the nomination committee or does not fully adopt them, the opinions of the nomination committee and the specific reasons for not adopting them shall be recorded in the board resolutions and disclosed.

The composition of the nomination committee shall comply with the applicable requirements of the Listing Rules as amended from time to time.

**Article 147.** The remuneration committee is responsible for formulating appraisal standards for and conducting appraisals of directors and senior management personnel, formulating and reviewing remuneration policies and proposals such as the remuneration determination mechanism, decision-making process, arrangements for payments, suspension and clawback for directors and senior management personnel, and making recommendations to the board of directors in respect of the following matters:

- (1) remuneration of the directors and senior management personnel;
- (2) formulation of or amendment to equity incentive plans, employee stock ownership plans, rights granted to recipients of incentives and conditions of exercising rights;
- (3) arrangement of directors and senior management personnel in relation to stock ownership plans in the subsidiary to be spun-off;
- (4) other matters stipulated by laws, administrative regulations, the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed and the Articles of Association.

If the board of directors fails to adopt the recommendations of the remuneration committee or does not fully adopt them, the opinions of the remuneration committee and the specific reasons for not adopting them shall be recorded in the board resolutions and disclosed.

The composition of the remuneration committee shall comply with the applicable requirements of the Listing Rules as amended from time to time.

## **CHAPTER 10: SECRETARY OF THE BOARD OF DIRECTORS**

**Article 148.** The Company shall have one (1) secretary of the board of directors. The secretary shall be a senior management personnel of the Company. Where necessary, the board of directors may establish a secretarial office of the board of directors.

**Article 149.** The secretary of the Company's board of directors shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed by the board of directors.

The secretary of the board of directors is responsible for matters including the preparation of shareholders' meetings and board meetings of the Company, document safekeeping, management of the Company's shareholder information, and handling information disclosure matters. The main tasks of the secretary of the board of directors include:

- (1) to assist the directors in the day-to-day work of the board of directors, to continuously provide the directors with, to remind the directors of and to ensure that the directors understand the laws, administrative regulations, policies and requirements of the foreign and domestic regulatory authorities on the operation of the Company, to assist the directors and the president to effectively implement relevant foreign and domestic laws, administrative regulations, the Company's Articles of Association and other relevant regulations when carrying out their duties;
- (2) to be responsible for the organisation and preparation of documents for board meetings and shareholders' meetings, to take proper meeting minutes, to ensure that the resolutions passed at the meetings comply with statutory procedures and to be knowledgeable about the implementation of the resolutions of the board of directors;
- (3) to be responsible for the organisation and coordination of information disclosure, to coordinate the relationship with investors and to increase transparency of the Company;

- (4) to participate in the structuring of financing through the capital markets;
- (5) to deal with intermediaries, regulatory authorities and media, and to maintain good public relations;
- (6) other matters which the secretary of the board shall be responsible for as stipulated in the laws, administrative regulations, departmental rules, relevant regulatory documents and rules of the Securities Regulatory Authorities in the places where the Company's shares are listed and the Articles of Association.

**Article 150.** The secretary of the board of directors shall diligently exercise his duties in accordance with the relevant provisions of these Articles of Association.

The secretary of the board of directors shall assist the Company in complying with the laws, administrative regulations, departmental rules, relevant regulatory documents and the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed and the Articles of Association.

## **CHAPTER 11: THE PRESIDENT AND OTHER SENIOR MANAGEMENT PERSONNEL OF THE COMPANY**

**Article 151.** The Company shall have one (1) president who shall be appointed or dismissed upon decision by the board of directors. The term of office of a president shall be three (3) years and he may serve consecutive terms if re-elected.

The Company shall have several executive vice presidents, and a chief financial officer who shall assist the president. The executive vice presidents and chief financial officer shall be nominated by the president and appointed or dismissed upon decision by the board of the directors.

Unless otherwise specified, in the Articles of Association, “general manager” refers to the president, “deputy general manager” refers to the executive vice president, and “deputy financial manager” refers to the chief financial officer.

A member of the board of directors may act concurrently as the president or executive vice president.

**Article 152.** Any person who holds administrative positions other than directors, supervisors or audit committee members (as the case may be) in the Company's corporate controlling shareholder shall not serve as senior management personnel of the Company, unless otherwise required by the governing authorities or the Securities Regulatory Authorities in the places where the Company's shares are listed.

Senior management of the Company shall only receive their remuneration from the Company and not the controlling shareholder.

**Article 153.** The president shall formulate the working rules for general managers which shall be implemented upon the approval of the board of directors.

The working rules for general managers consist of the following contents:

- (1) the conditions to convene, procedures for and participants of meetings of general managers;
- (2) specific duties and respective works for each of the president, executive vice presidents, chief financial officer and other senior management personnel;
- (3) the Company's funds, assets utilisation, the authority of entering into significant contracts, and the system for reporting to the board of directors;
- (4) other matters considered necessary by the board of directors.

**Article 154.** The president shall be accountable to the board of directors and shall exercise the following functions and powers:

- (1) to be in charge of the Company's production, operation and management and to organise the implementation of the resolutions of the board of directors, and to report works to the board of directors;
- (2) to organise the implementation of the Company's annual business plan and investment proposal;
- (3) to devise the establishment of the Company's internal management structure;
- (4) to devise the Company's basic management system;
- (5) to formulate specific rules and regulations of the Company;
- (6) to propose the appointment or dismissal of the executive vice presidents and chief financial officer of the Company;

- (7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors;
- (8) other powers conferred by the Articles of Association or the board of directors.

The president shall attend board meetings.

**Article 155.** The general manager who is not a director shall be entitled to attend meetings of the board of directors and receive the notice of meeting and the relevant documents. The general manager who is not a director does not have any voting rights at board meetings.

**Article 156.** In performing their duties and exercising their powers, the president, the executive vice presidents and the chief financial officer shall not depart from the resolutions of the shareholders' meetings or the board of directors, or exceed their respective authority.

**Article 157.** If any senior management personnel, in performing duties for the Company, causes damage to others, the Company shall be liable for compensation; if such senior management personnel acts with intent or gross negligence, he or she shall also be liable for compensation.

If any senior management personnel, in performing duties for the Company, violates laws, administrative regulations, departmental rules or the provisions of the Articles of Association, thereby causing losses to the Company, he or she shall be liable for compensation.

**Article 158.** Senior management personnel of the Company shall faithfully perform his/her duties in the best interests of the Company and all shareholders.

Senior management personnel of the Company shall be liable for compensation in accordance with the law if he/she fails to faithfully perform his/her duties or breaches the duty of good faith and therefore causes damage to the interests of the Company and the public shareholders.

**Article 159.** The president, the executive vice president, the chief financial officer and other senior management personnel may tender their resignations before the expiration of their term of office, and shall give a three (3)-month written notice to the board of directors. Department managers who wish to resign shall give a two (2)-month written notice to the president. The specific procedures and manners of such resignation shall be provided under the employment contract between the aforementioned persons and the Company.

## **CHAPTER 12: THE QUALIFICATIONS, DUTIES AND RESPONSIBILITIES OF THE DIRECTORS AND SENIOR MANAGEMENT PERSONNEL OF THE COMPANY**

**Article 160.** The directors of the Company are natural persons. A person may not serve as a director or senior management personnel of the Company if any of the following circumstances apply:

- (1) a person who does not have or who has limited capacity for civil conduct;
- (2) a person who has been sentenced for corruption, bribery, infringement of property rights or misappropriation of property or other crimes which disrupt the socialist market economic order, or a person who has been deprived of his/her political rights and less than a term of five (5) years has lapsed since the sentence was fully served, or, if given a suspended sentence, less than two (2) years have lapsed since the expiration of the probation period;
- (3) a person who is a former director, factory manager or general manager of a company or enterprise which has been dissolved or put into liquidation and who was made personally liable for such dissolution or liquidation, and where less than three (3) years have lapsed since the date of completion of the insolvent liquidation of the company or enterprise;
- (4) a person who is a former legal representative of a company or enterprise the business licence of which was revoked or ordered to be closed due to violation of law and who are personally liable therefor, where less than three (3) years have elapsed since the date of the revocation of the business licence or order for closure;
- (5) a person who has a relatively large amount of debts which have become overdue and has been listed as a dishonest judgement debtor by the People's Court;
- (6) a person currently subject to restriction from entering into the securities market by the securities regulatory authority of the State Council and the period has not yet expired;
- (7) a person who is publicly determined by the stock exchanges to be unfit to serve as a director or senior management of a listed company and the period has not yet expired;
- (8) other contents required by the laws, administrative regulations, departmental rules, relevant regulatory documents, the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed or the Articles of Association.

If an election, appointment or engagement of a director or senior management personnel takes place in contravention of this Article, such election, appointment or engagement shall be invalid. If a director or senior management personnel falls into any of the circumstances provided in this Article during his/her term of office, the Company shall terminate his/her office and stop him/her from performing his/her duties.

**Article 161.** Directors shall comply with laws, administrative regulations and the provisions of the Articles of Association, fulfill the duties of loyalty to the Company, take measures to avoid conflicts of interest between themselves and the Company, and shall not use their positions to seek improper benefits.

Directors shall fulfill the following duties of loyalty to the Company:

- (1) directors shall not abuse their authority by receiving any bribe or by receiving other illegal income;
- (2) directors shall not embezzle any property of the Company or misappropriate the Company's funds;
- (3) directors shall not deposit funds of the Company into accounts held in their own names or in the name of any other individual;
- (4) directors shall not directly or indirectly enter into a contract or conduct a transaction with the Company without reporting to the board of directors or the shareholders' meeting and without obtaining approval by a resolution of the board of directors or the shareholders' meeting in accordance with the provisions of the Articles of Association;
- (5) directors shall not exploit their positions to seek business opportunities belonging to the Company for themselves or others, except where such opportunities have been reported to the board of directors or the shareholders' meeting and obtained approval by a resolution of the shareholders' meeting, or where the Company is unable to utilise such business opportunities in accordance with laws, administrative regulations, or the provisions of the Articles of Association;

- (6) directors shall not engage in any business similar to that of the Company on his/her own or for others without reporting to the board of directors or the shareholders' meeting and obtaining approval by a resolution of the shareholders' meeting;
- (7) directors shall not accept commissions for transactions between others and the Company for their own;
- (8) directors shall not disclose secrets of the Company without authorisation;
- (9) directors shall not take advantage of related-party relationships to damage the Company's interests; and
- (10) directors shall have other duties of loyalty as stipulated by laws, administrative regulations, departmental rules and the Articles of Association.

Any income obtained by a director in violation of this Article shall belong to the Company; if losses are caused to the Company, the director shall be liable for compensation.

The provisions of clause (4) of paragraph two of this Article shall apply to contracts entered into or transactions conducted by close relatives of directors and senior management personnel, enterprises directly or indirectly controlled by directors, senior management personnel or their close relatives, and affiliated persons who have other affiliation with directors and senior management personnel, with the Company.

The above provisions on the duties of loyalty also apply to senior management.

**Article 162.** The directors shall abide by laws, administrative regulations, and the provisions of the Articles of Association, bear obligations of diligence to the Company, and shall exercise the reasonable care normally expected of managers in the best interests of the Company when performing their duties.

Directors shall bear the following obligations of diligence to the Company:

- (1) exercise prudently, gravely and diligently the rights authorised by the Company in order to ensure the commercial operation of the Company is in compliance with national laws, administrative regulations as well as the various requirements of the national economic policies and that the commercial operation is within the scope of operation provided by the business license;

- (2) treat all the shareholders equally;
- (3) timely investigate the operation and management of the Company;
- (4) approve periodic reports in written form of the Company and ensure that the information disclosed by the Company is true, accurate and complete;
- (5) provide true and accurate information and material to the audit committee, and not impede the audit committee from exercising its/ their functions and powers;
- (6) other obligations prescribed in the laws, administrative regulations, departmental rules, relevant regulatory documents and the Articles of Association and its appendices.

Aforementioned provisions concerning the obligations also apply to the senior management personnel.

**Article 163.** The Company shall establish a system for the administration of directors' departure from office, specifying the safeguard measures to ensure accountability and recovery of losses in respect of unfulfilled public commitments and other outstanding matters. When a director's resignation takes effect or his/her term of office expires, he/she must complete all transfer procedures to the board of directors. His/her duty of loyalty to the Company and shareholders will not be automatically terminated after the end of his/her term. The duty of confidentiality in respect of trade secrets of the Company survives the termination of his/her tenure. The duration of other duties shall be determined in accordance with the principle of fairness, depending on the length of time between the occurrence of the event and the director's departure, and the circumstances and conditions under which the relationship with the Company is terminated.

The liabilities to be borne by a director for performing his/her duties during his/her term of office shall not be exempted or terminated by his/her departure.

The provisions of the abovementioned management system for departure from office shall also apply to senior management personnel.

## CHAPTER 13: FINANCIAL AND ACCOUNTING SYSTEMS AND PROFIT DISTRIBUTION

**Article 164.** The Company shall establish its financial and accounting systems in accordance with laws, administrative regulations and regulations of relevant state departments.

**Article 165.** The fiscal year of the Company shall be on the basis of the Gregorian calendar beginning on 1 January and ending on 31 December of each year.

The Company shall use Renminbi as its standard unit of account. The accounts shall be prepared in Chinese.

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

**Article 166.** The board of directors of the Company shall place before the shareholders at every annual general meeting such financial reports which the relevant laws, administrative regulations, directives promulgated by competent regional and central governmental authorities and the Securities Regulatory Authorities in the places where the Company's shares are listed require the Company to prepare.

**Article 167.** The Company's financial reports shall be made available for shareholders' inspection at the Company twenty (20) days before the date of every shareholders' annual general meeting. Each shareholder shall be entitled to obtain a copy of the financial reports referred to in this Chapter.

Subject to the fulfillment of the laws, administrative regulations, departmental rules, relevant regulatory documents and the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed, the Company may also provide shareholders of Overseas-Listed Foreign-Invested Shares with aforementioned reports through announcement(s) (including posting on the Company's website).

**Article 168.** The financial statements of the Company shall, in addition to being prepared in accordance with PRC accounting standards and regulations pursuant to the requirements of the applicable laws and administrative regulations, be also prepared in accordance with either international accounting standards, or the accounting standard of the place outside the PRC where the Company's shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, such difference shall be specifically stated in the financial statements. In distributing its after-tax profits for the relevant fiscal year, the lower of the two amounts shown in the two financial statements shall be distributed.

**Article 169.** Annual reports, interim reports and quarterly reports of the Company shall be prepared in accordance with relevant laws, administrative regulations and the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed.

Any interim results or financial information published or disclosed by the Company must also be prepared and presented in accordance with PRC accounting standards and regulations, and also in accordance with either international accounting standards or the accounting standard of the place overseas where the Company's shares are listed pursuant to the requirements of the applicable laws and administrative regulations.

**Article 170.** The Company shall file and disclose its annual report within four (4) months after the end of each fiscal year in accordance with the laws, administrative regulations and requirements of the Securities Regulatory Authorities in the places where the Company's shares are listed, file and disclose its interim report within two (2) months after the end of the first half of each fiscal year in accordance with the laws, administrative regulations and requirements of the Securities Regulatory Authorities in the places where the Company's shares are listed and file and disclose its quarterly report within the period as required by the Securities Regulatory Authorities in the places where the Company's shares are listed.

Where the Securities Regulatory Authorities in the places where the Company's shares are listed have any other provisions, such provisions shall prevail.

**Article 171.** The Company shall not keep accounts other than those required by law. The funds of the Company shall not be deposited into any account established in an individual's name.

**Article 172.** When distributing its after-tax profits in a given year, the Company shall allocate ten percent (10%) of such profits to the Company's statutory common reserve fund. Where the accumulated amount of the statutory common reserve fund reaches fifty percent (50%) or more of the registered capital of the Company, no further allocation is required.

Where the statutory common reserve fund is insufficient to make up for the losses of the Company in the previous year, before making contribution to the statutory common reserve fund, the profits made in the current year shall be used to make up for the losses first.

After making contribution to the statutory common reserve fund from its after-tax profits, the Company may, subject to resolutions adopted at a shareholders' meeting, make contributions to discretionary common reserve fund from its after-tax profits.

After making up for the losses and making contributions to the common reserve fund, any remaining profits shall be distributed to the shareholders in proportion to their respective shareholdings, unless otherwise stipulated in the Articles of Association.

Where the shareholders' meeting distributes profits to shareholders in violation of the foregoing provision or the provisions of the Company Law, the shareholders concerned shall refund to the Company the profits distributed in violation of the foregoing provision or the provisions of the Company Law. If losses are caused to the Company, the shareholders and the responsible directors and senior management personnel shall be liable for compensation in accordance with the law.

Shares held by the Company itself shall not be entitled to the distribution of profits.

**Article 173.** The Company shall not allocate dividends or carry out other allocations in the form of bonuses before it has made up for its losses and made allocations to the statutory common reserve fund. Dividends paid by the Company shall not carry any interest except where the Company has failed to pay the dividends to the shareholders on the date on which such dividends become payable.

Any amount paid up in advance of calls on any share shall carry interest, but shall not entitle the holder of the share to receive, by way of advance payment, the dividend declared and distributed thereafter.

**Article 174.** Capital surplus reserve fund includes the following items:

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

**Article 175.** The common reserve funds of the Company shall be applied for making up for losses, expanding the Company's production and operation or be converted into additional registered capital of the Company.

If the Company's losses are to be made up using the common reserve funds, the Company shall first use the discretionary common reserve fund and the statutory common reserve fund. If the losses still cannot be entirely made up, the capital surplus reserve fund can be used in accordance with regulations.

If a shareholders' meeting of the Company resolves to convert its common reserve fund into additional registered capital, the Company shall issue new shares to the existing shareholders in proportion to their respective shareholdings or increase the par value of each share provided that when the statutory common reserve fund is converted into additional registered capital, the balance of such fund shall not be less than twenty-five percent (25%) of the registered capital.

**Article 176.** The basic principles of the Company's profit distribution policies are:

- (1) The Company attaches importance to reasonable investment returns to investors, and the Company's profit distribution policy will take into account the overall interests of all Shareholders, the Company's long-term interests and the Company's sustainable development;
- (2) Under the premise that the Company's profit distribution does not exceed the cumulative distributable profit and that the Company takes into account the continuous profits, meets regulatory requirements, operates regularly and develops in the long term, the Company will give priority to cash distribution of dividends.

The profit distribution policies of the Company are set out below:

- (1) profit shall be distributed in the following manner: the Company may use cash, shares or a combination of cash and shares or other methods permitted by law or administrative regulation to distribute share dividends;
- (2) conditions for and proportions of cash dividends distribution: if the Company has no events such as major investment plans or significant cash expenditures, and the Company's risk control indicators can meet regulatory requirements and the normal operating capital requirements of the Company can be satisfied after the distribution of cash dividends, within any three (3) consecutive years, the cumulative profit distributed by the Company in cash shall not be less than thirty percent (30%) of the annual average distributable profit realised in such three (3) years;
- (3) interval of profit distribution: in principle, the Company makes a profit distribution once a year, and the board of directors can propose the Company to carry out the interim profit distribution according to the profit situation and the situation of capital requirements and related conditions;

- (4) conditions for issuing share dividends: when the Company is operating well and the board of directors believes that the Company's share price does not match the size of the Company's share capital and that the payment of share dividends is in the interest of the shareholders of the Company as a whole, and comprehensively considering the growth of the Company, net assets diluted per share and other factors, it can propose the implementation of share dividends distribution plan under the conditions of meeting the aforesaid cash dividends distribution.

**Article 177.** The decision-making procedures and mechanism of the Company's profit distribution plan are as follows:

- (1) the Company's profit distribution plan is formulated by the board of directors. The board of directors shall fully discuss the rationality of the profit distribution plan and form a special proposal to be implemented, subject to the consideration and approval of the shareholders' meeting. Before the shareholders' meeting considers the specific profit distribution plan, the Company shall actively communicate with shareholders, especially minority shareholders through various channels, listen to the opinions and demands of minority shareholders, and promptly answer questions of their concerns.
- (2) the Company shall disclose the formulation and implementation of cash dividend policy during the reporting period in periodic reports in accordance with relevant regulations. If under special circumstances the Company is unable to determine the profit distribution plan for the year in accordance with the established cash dividend policy or the Company meets the conditions for cash dividend distribution as stipulated in this Article, but the board of directors does not intend to distribute cash dividend, it shall disclose the specific reasons and matters such as next steps to be taken to enhance investor returns in the periodic reports. The Company's profit distribution plan for that year shall be approved by two-thirds or more of the voting rights represented by the shareholders attending the shareholders' meeting.
- (3) when the Company convenes the annual general meeting to consider the annual profit distribution plan, the conditions, proportion limit, amount limit, etc. for the next year's interim cash dividend may be considered and approved. The upper limit of interim dividend for the next year considered by the annual general meeting shall not exceed the net profit attributable to equity holders of the Company during the corresponding period. The board of directors shall formulate a specific interim dividend plan based on the resolution of the shareholders' meeting and subject to the conditions for profit distribution.

(4) in the event of force majeure such as war, natural disasters, or changes in the Company's external operating environment that have a significant impact on the Company's operations, or the Company's own operating or financial conditions have changed significantly, or relevant laws, administrative regulations or regulatory requirements have changed or any adjustment has been made thereto, or if the board of directors deems it necessary, the Company may adjust the profit distribution policies. The adjustment of the Company's profit distribution policies shall be demonstrated in detail by the board of directors, and a special proposal shall be formed and submitted to the shareholders' meeting, which shall be approved by two-thirds or more of the voting rights represented by the shareholders attending the shareholders' meeting.

**Article 178.** After the profit distribution plan has been resolved at the shareholders' meeting, or the board of directors of the Company has formulated the specific plan in accordance with the interim dividend distribution conditions and limit next year pursuant to the consideration and approval at the annual general meeting, the dividend (or share) distribution shall be completed within two (2) months.

**Article 179.** The Company shall declare and pay cash dividends and other amounts which are payable to holders of A Shares in Renminbi. The Company shall calculate and declare cash dividends and other payments which are payable to holders of Overseas-Listed Foreign-Invested Shares in Renminbi, and shall pay such amounts in Hong Kong dollars. The foreign exchange required by the Company to pay cash dividends and other amounts to holders of Overseas-Listed Foreign-Invested Shares shall be obtained in accordance with the relevant foreign exchange administrative regulations of the State.

**Article 180.** Unless otherwise provided for in relevant laws and administrative regulations, where cash dividends and other amounts are to be paid in Hong Kong dollars, the applicable exchange rate shall be the average median rate for the relevant foreign currency announced by the People's Bank of China during the calendar week prior to the declaration of payment of dividend and other amounts.

**Article 181.** When distributing dividends to its shareholders, the Company shall withhold and pay on behalf of its shareholders the taxes levied on the dividends in accordance with the provisions of the PRC tax law.

**Article 182.** The Company shall appoint receiving agents for holders of the Overseas-Listed Foreign-Invested Shares. Such receiving agents shall receive dividends which have been declared by the Company and all other amounts which the Company should pay to holders of Overseas-Listed Foreign-Invested Shares on such shareholders' behalf.

The receiving agents appointed by the Company shall meet the relevant requirements of the laws, administrative regulations and the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed.

## CHAPTER 14: INTERNAL AUDIT

**Article 183.** The Company shall implement the internal audit system, which clarifies the leadership system, responsibilities and powers, staffing, financial guarantees, application of audit results, and accountability for internal audit work.

The Company's internal audit system shall be implemented after being approved by the board of directors and disclosed to the public.

**Article 184.** The Company's internal audit institution supervises and inspects the Company's business activities, risk management, internal control, financial information and other matters.

The internal audit institution shall maintain independence and be staffed with full-time auditors.

**Article 185.** The internal audit institution is accountable to the board of directors.

The internal audit institution shall be subject to the supervision and guidance of the audit committee in the process of supervising and inspecting the Company's business activities, risk management, internal control, and financial information. The internal audit institution shall immediately report any relevant material issues or clues discovered to the audit committee directly.

**Article 186.** The specific organisation and implementation of the Company's internal control assessment shall be the responsibility of the internal audit institution. The Company shall prepare its annual internal control assessment report based on the assessment report issued by the internal audit institution and reviewed by the audit committee, and other relevant information.

**Article 187.** When the audit committee communicates with external audit units such as accountancy firms and national audit institutions, the internal audit institution shall actively cooperate and provide necessary support and collaboration.

**Article 188.** The audit committee participates in the assessment of the person in charge of internal audit.

## **CHAPTER 15: APPOINTMENT OF ACCOUNTANCY FIRM**

**Article 189.** The Company shall appoint an accountancy firm which is qualified under the relevant laws, administrative regulations and the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed to carry out accounting statement audit, net assets verification and other related consulting services. The term of appointment is one (1) year and can be renewed.

**Article 190.** The accountancy firm appointed by the Company shall enjoy the following rights:

- (1) a right to review to the books, records and vouchers of the Company at any time, and the right to require the directors or senior management personnel of the Company to supply relevant information and explanations;
- (2) a right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the discharge of its duties;
- (3) a right to attend shareholders' meetings and to receive all notices of, and other information relating to, any shareholders' meeting which any shareholder is entitled to receive, and to speak at any shareholders' meeting in relation to matters concerning its role as the Company's accountancy firm.

**Article 191.** The shareholders in a shareholders' meeting may by ordinary resolution remove the Company's accountancy firm before the expiration of its term of office, irrespective of the provisions in the contract between the Company and the Company's accountancy firm. However, the accountancy firm's right to claim for damages which arise from its removal shall not be affected.

**Article 192.** The Company's appointment, removal or non-renewal of appointment of an accountancy firm and the remuneration of the accountancy firm or the method of determining its remuneration shall be resolved by the shareholders' meeting. The board of directors shall not engage an accountancy firm to commence work before a decision is made in the shareholders' meeting.

**Article 193.** Prior notice should be given to the accountancy firm fifteen (15) days in advance if the Company decides to remove such accountancy firm or not to renew its appointment. Such accountancy firm shall be entitled to make representations at the shareholders' meeting where the shareholders vote on the removal of the accountancy firm.

Where the accountancy firm resigns from its position, it shall make clear to the shareholders' meeting whether there has been any impropriety on the part of the Company.

**Article 194.** The Company shall ensure that it will provide the accountancy firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information without any refusal, concealment or false statement.

## **CHAPTER 16: MERGER AND DIVISION OF THE COMPANY**

**Article 195.** The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

Merger by absorption means that one (1) company absorbing another company and the company being absorbed shall be dissolved. Merger by incorporation means that a merger of two (2) or more companies through the establishment of one (1) new company and the companies being consolidated shall be dissolved.

**Article 196.** In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten (10) days of the date of the Company's resolution approving the merger and shall publish a public notice in a newspaper or on the National Enterprise Credit Information Publicity System within thirty (30) days of the date of the Company's resolution approving the merger. A creditor has the right within thirty (30) days of receipt of notice or within forty-five (45) days of the date of announcement if notice is not received, to require the Company to settle its debts or to provide a corresponding guarantee for such debt.

**Article 197.** Upon the merger, receivables and indebtedness of each of the merger parties shall be assumed by the company which survives the merger or the newly established company.

**Article 198.** 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 ten (10) days of the date of the Company's resolution approving the division and shall publish a public announcement in a newspaper or on the National Enterprise Credit Information Publicity System within thirty (30) days of the date of the Company's resolution approving the division.

Debts of the Company prior to division shall be assumed with joint and several liability by the companies which exist after the division in accordance with the agreement of the parties unless otherwise stipulated in the written agreement entered into between the Company and its creditors on debt settlement before the division.

**Article 199.** The Company shall, in accordance with law, apply for change in its registration particulars with the companies registration authority where a change in any item in its registration arises as a result of any merger or division. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with law. Where a new company is established, that company shall apply for registration in accordance with the law.

**Article 200.** If the registered capital is reduced in violation of the Company Law and other relevant regulations, shareholders shall return the funds received, and any reduction or exemption of shareholder contributions shall be restored to their original state. If the Company suffers losses, the shareholders and the responsible directors and senior management personnel shall be liable for compensation in accordance with the law.

## CHAPTER 17: DISSOLUTION AND LIQUIDATION

**Article 201.** The Company shall be dissolved and liquidated in accordance with the law upon the occurrence of any of the following events:

- (1) expiry of the term of business stipulated in the Articles of Association or the occurrence of any other event for dissolution stipulated in the Articles of Association;
- (2) a resolution for dissolution is passed by shareholders at a meeting;
- (3) dissolution is necessary due to a merger or division of the Company;
- (4) the business license of the Company is revoked or it is ordered to close down its business or its business license is cancelled in accordance with the law;

- (5) where the operation and management of the Company falls into serious difficulties and its continued existence would cause significant losses to shareholders, the shareholders holding ten percent (10%) or more of the voting rights of the Company may apply to the People's Court to dissolve the Company if there are no other solutions;
- (6) the Company is declared insolvent in accordance with the law due to its failure to repay debts as they become due.

If the reasons for dissolution set out in the preceding paragraphs arise, the Company shall publicise the reasons for dissolution through the National Enterprise Credit Information Publicity System within 10 days.

**Article 202.** When the Company is under the circumstances stated in sub-paragraphs (1) or (2) of Article 201 of the Articles of Association, and no property has been distributed to shareholders, the Company may continue to exist by amending the Articles of Association or by a resolution of the shareholders' meeting.

The amendment to the Articles of Association or the resolution made by the shareholders' meeting in accordance with the preceding paragraph shall be approved by two-thirds or more of the voting rights held by the shareholders attending the shareholders' meeting.

**Article 203.** Where the Company is dissolved pursuant to sub-paragraph (1), (2), (4) and (5) of Article 201 of the Articles of Association, it shall be liquidated. The directors, as persons obligated to liquidate the Company, shall form a liquidation committee to carry out liquidation within fifteen (15) days from the date of occurrence of the events giving rise to dissolution.

The liquidation committee shall be composed of directors, unless otherwise provided in the Articles of Association or appointed by a resolution of the shareholders' meeting.

If the liquidation obligor fails to perform its liquidation obligations in a timely manner, causing losses to the Company or creditors, he/she shall be liable for compensation in accordance with the law.

**Article 204.** The liquidation committee shall, within ten (10) days of its establishment, send notices to the Company's creditors and shall, within sixty (60) days of its establishment, publish a public announcement in a newspaper that meets the conditions stipulated by the Securities Regulatory Authorities in the places where the Company's shares are listed or on the National Enterprise Credit Information Publicity System. A creditor shall, within thirty (30) days of receipt of notice, or within forty-five (45) days of the date of the announcement if notice is not received, claim his/her rights to the debt to the liquidation committee.

In claiming his/her rights, the creditor shall explain and provide proof of his/her rights to and matters relating to the debt. The liquidation committee shall register the creditor's rights.

In the course of claiming of creditors' rights, the liquidation team shall not settle its debts with creditors.

**Article 205.** During the liquidation period, the liquidation committee shall exercise the following functions and powers:

- (1) to put in order the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (2) to notify the creditors or to publish public announcements;
- (3) to handle of and liquidate any outstanding businesses of the Company;
- (4) to pay all outstanding taxes and the taxes arising from the liquidation process;
- (5) to settle claims and debts;
- (6) to distribute the surplus assets remaining after the Company's debts have been repaid;
- (7) to represent the Company in any civil proceedings.

**Article 206.** After the liquidation committee has put in order the Company's assets and prepared the balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and present it to a shareholders' meeting or to the People's Court for confirmation.

After the payment of liquidation expenses with priority, the Company's assets shall be distributed in accordance with the following sequence: (i) salaries, social insurance and statutory compensation of employees of the Company; (ii) outstanding taxes; (iii) bank loans, debentures of the Company and other debts of the Company.

Any surplus assets of the Company remaining after payment referred to in the preceding paragraph shall be distributed to its shareholders according to the class of shares and the proportion of shares held in the following sequence:

- (1) In the case of preferential shares, distribution shall be made to holders of such preferential shares according to the par value thereof; if the surplus assets are not sufficient to repay the amount of preferential shares in full, the distribution shall be made to holders of such shares in proportion to their respective shareholdings;

(2) In the case of ordinary shares, distribution shall be made to holders of such shares in proportion to their respective shareholdings.

During the liquidation period, the Company remains in existence; however, it shall not commence any business activities that are unrelated to liquidation.

The Company's assets shall not be distributed to shareholders prior to settling debts pursuant to the foregoing provision.

**Article 207.** If after putting the Company's assets in order and preparing a balance sheet and an inventory of assets in connection with the liquidation of the Company, 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 for insolvency liquidation.

After the People's Court accepts the insolvency application, the liquidation committee shall transfer all matters arising from the liquidation to the insolvency administrator designated by the People's Court.

**Article 208.** Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, which shall be submitted to the shareholders' meeting or the People's Court for confirmation. The liquidation committee shall file with companies registration authority and apply for cancellation of registration of the Company.

**Article 209.** Members of the liquidation team shall perform their liquidation duties with loyalty and diligence.

A member of the liquidation team who causes losses to the Company due to failure to perform his/her liquidation duties shall be liable for compensation. A member of the liquidation team who causes losses to the creditors due to his/her intentional misconduct or gross negligence shall be liable for compensation.

**Article 210.** Where the Company is declared insolvent according to law, it shall undertake insolvency liquidation according to laws on enterprise insolvency.

## **CHAPTER 18: PROCEDURES FOR AMENDMENT OF THE COMPANY'S ARTICLES OF ASSOCIATION**

**Article 211.** The Company may amend its Articles of Association in accordance with the requirements of laws, administrative regulations and the Company's Articles of Association.

**Article 212.** Under any of the following circumstances, the Company shall amend the Articles of Association:

- (1) the Articles of Association is contradictory to any provision of the amended Company Law or other relevant laws and administrative regulations;
- (2) changes in the Company's situation which leads to inconsistency with matters recorded in the Articles of Association;
- (3) a shareholders' meeting adopts a resolution to amend the Articles of Association.

**Article 213.** The board of directors shall amend the Articles of Association in accordance with the resolutions of the shareholders' meeting to amend the Articles of Association and the review opinions of the relevant competent authorities. The following procedure shall be followed when amending these Articles of Association:

- (1) The board of directors shall adopt a resolution thereon in accordance with these Articles of Associations and prepare a proposal for amendment of the Articles; or the shareholders may present a motion for amendment of the Articles;
- (2) The foregoing proposal shall be furnished to the shareholders and a shareholders' meeting shall be convened for voting on it;
- (3) The amendments presented to the shareholders' meeting shall be adopted through a special resolution.

The board of directors shall amend the Articles of Association in accordance with the resolution to amend the Articles of Association passed at the shareholders' meeting and the opinions of consideration and approval from the relevant governing authorities.

**Article 214.** Where the amendments approved by the shareholders' meeting shall be approved by the governing authorities, such amendments shall be submitted to the governing authorities; if any registration of the Company is concerned, the Company shall apply for registration of the changes in accordance with the law.

Any amendment to the Articles of Association that involves information to be disclosed as required by the laws, administrative regulations, departmental rules, relevant regulatory documents and the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed, shall be announced as required.

## CHAPTER 19: NOTICES

**Article 215.** Subject to the proper compliance of all the applicable laws, administrative regulations and the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed and obtaining all the required consent (if any), any notice or document published by the Company (including but not limited to the "Corporate Communication" as defined by the rules of the designated stock exchanges) could be delivered by the following methods:

- (1) by hand;
- (2) by post;
- (3) by sending it to the fax number or other number of electronic communication (including but not limited to email address) or website as provided by the addressee to the Company for the said purpose;
- (4) by public announcement;
- (5) by uploading the notice or document to the website of the Company or The Hong Kong Stock Exchange and issuing a notice to the addressee for notifying him/her on the availability of such notice or document on such website (the "Availability Notice");
- (6) by any other methods as agreed between the Company and the addressee or as accepted by the addressee after the notice is received; or
- (7) by any other methods as authorised by the relevant regulatory body of the place of listing of the Company or as stipulated by the Articles of Association.

In case of joint holders of shares, all the notices or documents shall be delivered to the holder whose name stands first in the register of members and such notices or documents delivered thereby shall be deemed duly delivered to and received by all such joint holders.

**Article 216.** The newspapers required by these Articles of Association for the publication or newspapers of announcements shall be those designated or required by the relevant State laws, administrative regulations and the Securities Regulatory Authorities in the places where the Company's shares are listed. If it is necessary to make an announcement to holders of Overseas-Listed Foreign-Invested Shares as required by these Articles of Association, the relevant announcement shall at the same time be published in the newspapers designated by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in accordance with the provisions for "press announcements" set out therein.

**Article 217.** Any notice or document shall be:

- (1) Deemed issued when the envelope containing such notice was put into post-box, and deemed duly received after forty-eight (48) hours thereafter if it was delivered by post, provided that the address was clearly written, postage fee was pre-paid and the said notice was put inside such envelope.
- (2) Deemed delivered when the recipient signs (or stamps) the delivery receipt upon hand delivery, with the date of the recipient's signature being the date of delivery.
- (3) Deemed delivered on the receiving date (i.e. the sending date) if it was sent by fax, in such case the receiving date shall be the date shown on the fax transmission report. If it was sent as an electronic message, it shall be deemed delivered on the date when the message was transmitted from the server of the Company or its agent.
- (4) Deemed delivered when the notice or document was uploaded onto the website of the Company.
- (5) Deemed received by all relevant persons when the notice or document is published as a public announcement.
- (6) Deemed delivered at the time it is delivered or (as the case may be) at the time of such delivery is deemed delivered if the notice or document is sent or delivered by any other methods as stipulated in the Articles of Association.

**Article 218.** If the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed require the Company to dispatch, mail, distribute, issue or otherwise provide the relevant document of the Company in English and in Chinese, the Company shall be allowed to deliver either the English or the Chinese version in accordance with the choice of the shareholder, provided that the Company has made appropriate arrangement to confirm whether the shareholders would like to receive either the English or the Chinese version and subject to and to the extent as permitted by the applicable laws and administrative regulations.

**Article 219.** The accidental omission to give notice of a meeting to, or the failure to receive the notice of a meeting by, any person entitled to receive such notice shall not solely invalidate the meeting and the resolutions adopted thereat.

## CHAPTER 20: DISPUTE RESOLUTION

**Article 220.** The Company shall abide by the following principles for dispute resolution:

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

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

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

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

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

## CHAPTER 21: SUPPLEMENTARY

**Article 221.** The board of directors may formulate detailed rules of the Articles of Association in accordance with the provisions thereof. Such detailed rules shall not contravene the provisions in the Articles of Association.

The appendices to the Articles of Association include the Rules of Procedures of the Shareholders' Meeting and the Rules of Procedures of the Meeting of the Board of Directors.

**Article 222.** The board of directors of the Company shall be responsible for the interpretation of these Articles of Association, and the shareholders' meeting shall have the right to amend the Articles of Association.

**Article 223.** These Articles of Association are written in Chinese. If there is any discrepancy between the Articles of Association and other versions of Articles of Association or other Articles of Association in another language, the Chinese version of the Articles of Association last approved by and registered with the competent department for market regulation in the Company's domicile shall prevail.

**Article 224.** In these Articles of Association, reference to "accountancy firm" shall have the same meaning as "auditor".

The terms "or more", "within", "at least" and "before" as mentioned herein shall include the figures listed; "other than", "over", "more than", "less than", or "lower than" shall not include the figures listed.

**Article 225.** In case of any inconsistency between any matters not covered by the Articles of Association and provisions of the laws, administrative regulations, departmental rules, relevant regulatory documents and the rules of the Securities Regulatory Authorities in the places where the Company's shares are listed as stipulated from time to time, the provisions of the latter shall prevail.