

**Beijing Capital Jiaye Property Services Co., Limited**

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

**Articles of Association**

(Approved at the 2021 second extraordinary general meeting of the Company on April 23, 2021)

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*Notes:* In the marginal notes to the provisions of these Articles of Association:

1. The **Company Law** refers to the Company Law of the People's Republic of China (as amended in 2018);
2. The **Special Provisions** refers to the Special Provisions of the State Council on the Overseas Offering and Listing of Shares by the Joint Stock Limited Companies (《國務院關於股份有限公司境外募集股份及上市的特別規定》) promulgated by the State Council (Order [No.160] of the State Council);
3. The **Mandatory Provisions** refers to the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (《到境外上市公司章程必備條款》) jointly promulgated by the former Securities Commission of the State Council and the former State Commission for Restructuring the Economic System (Zheng Wei Fa [1994] No. 21);
4. The **Letter of Opinions on Supplementary Amendments** refers to the Letter of Opinions on Supplements and Amendments to Articles of Association of Companies Listed in Hong Kong (《關於到香港上市公司對公司章程作補充修改的意見的函》) jointly promulgated by the Overseas Listing Department of China Securities Regulatory Commission and the former Production System Division of the State Commission for Restructuring the Economic System (Zheng Jian Hai Han [1995] No. 1);
5. The **Opinions** refers to the Opinions on Further Promoting Standardized Operation and Deepening Reform of Overseas Listed Companies (《關於進一步促進境外上市公司規範運作和深化改革的意見》) jointly promulgated by the former State Economic and Trade Commission and the China Securities Regulatory Commission (Guo Jing Mao Qi Gai [1999] No. 230);
6. The **Hong Kong Listing Rules** refers to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time;
7. The **Guidelines for Articles of Association** refers to the Guidelines for the Articles of Association of Listed Companies(《上市公司章程指引》) (as amended in 2019) promulgated by the China Securities Regulatory Commission (Announcement of the China Securities Regulatory Commission [2019] No. 10);
8. The **Reply on Adjusting the Notice Period** refers to the Reply of the State Council on Adjustment of the Notice Period of the General Meetings and Other Matters Applicable to the Overseas Listed Companies (《國務院關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批覆》) promulgated by the State Council (Guo Han [2019] No. 97).

## CHAPTER 1 GENERAL PROVISIONS

**Article 1** In order to establish modernized corporate systems, safeguard the legitimate interests of Beijing Capital Jiaye Property Services Co., Limited (hereinafter referred to as the “Company”), its shareholders and creditors, and regulate the organization and activities of the Company, these Articles of Association are hereby formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Constitution of the Communist Party of China (《中國共產黨章程》), the Special Provisions of the State Council on the Overseas Offering and Listing of Shares by the Joint Stock Limited Companies (hereinafter referred to as the “Special Provisions”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, the Letter of Opinions on Supplements and Amendments to Articles of Association of Companies Listed in Hong Kong, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”) and the provisions of other laws, administrative regulations, departmental rules, normative documents and relevant regulatory authorities.

Article 1 of the Guidelines for Articles of Association, Rule 19A.53 of the Hong Kong Listing Rules

**Article 2** The Company is a joint stock limited company established in accordance with the Company Law, the Securities Law, the Special Provisions and other relevant laws and administrative regulations of the People’s Republic of China.

Article 1 of the Mandatory Provisions

**Article 3** The Company was established by Beijing Urban Construction Group Co., Ltd.\* (北京城建集團有限責任公司), Beijing Urban Construction Investment & Development Co., Ltd.\* (北京城建投資發展股份有限公司), Beijing Uni.-Construction Group Co., Ltd.\* (北京住總集團有限責任公司) and Beijing Tianjie Group Co., Ltd.\* (北京天街集團有限公司) by way of promotion. On December 22, 2020, the Company registered with the Market Supervision Administration of Dongcheng District of Beijing Municipality (北京市東城區市場監督管理局) and obtained a corporate business license. The Uniform Social Credit Code of the Company is 91110101MA01YA73XW.

Article 1 of the Mandatory Provisions

The promoters of the Company are Beijing Urban Construction Group Co., Ltd., Beijing Urban Construction Investment & Development Co., Ltd., Beijing Uni.-Construction Group Co., Ltd. and Beijing Tianjie Group Co., Ltd.

**Article 4** Registered name of the Company: Beijing Capital Jiaye Property Services Co., Limited

Article 81 of the Company Law, Article 2 of the Mandatory Provisions

Full name in Chinese: 北京京城佳業物業股份有限公司

Full name in English: Beijing Capital Jiaye Property Services Co., Limited

**Article 5** Address of the Company: Room 301, 3rd Floor, Building 34, Fahua South Lane Dongcheng District, Beijing

Article 81 of the Company Law, Article 3 of the Mandatory Provisions

Postal code: 100061

Tel No.: 010-56176080

Fax No.: 010-56176081

**Article 6** The chairman of the board of directors is the legal representative of the Company.

Article 4 of  
the Mandatory  
Provisions

The senior management referred to in these Article of Association includes the general manager, the deputy general manager, the secretary to the board of directors, the chief accountant, the general counsel and the marketing director of the Company. Other senior management refers to the deputy general manager, the secretary to the board of directors, the chief accountant, the general counsel and the marketing director of the Company.

Article 216 of  
the Company  
Law, Article 12  
of the current  
Articles of  
Association of  
the Company

**Article 7** The Company is a joint stock limited company which has perpetual existence. The capital of the Company shall be divided into shares of equal value. Shareholders shall be liable to the Company to the extent of the shares subscribed by them. The Company shall be liable for its debts and shall cover such debts with all its assets.

Article 3 of the  
Company Law,  
Article 5 of  
the Mandatory  
Provisions

**Article 8** These Articles of Association were adopted by a special resolution of the general meeting of the Company and shall be effective on the date on which the overseas listed foreign shares issued by the Company are listed and traded on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”) with the approval of relevant governmental departments and related regulatory authorities of the People’s Republic of China. From the effective date of these Articles of Association, the original Articles of Association of the Company filed with the Company’s share registrar shall be substituted.

Article 11 of  
the Company  
Law, Article 6  
and Article 7 of  
the Mandatory  
Provisions

The Articles of Association of the Company shall, from the date when it comes into force, constitute a legally binding document regulating the organization and activities of the Company, the rights and obligations between the Company and each of its shareholder and those among the shareholders, and shall be binding on the Company and its shareholders, directors, supervisors and senior management. All the aforementioned persons shall be entitled to claim their rights regarding matters related to the Company in accordance with these Articles of Association.

Pursuant to these Articles of Association, shareholder may sue other shareholders, and shareholders may sue the directors, supervisors and senior management of the Company. Shareholders may sue the Company and the Company may sue its shareholders, directors, supervisors and senior management.

The term “sue” referred to in the preceding paragraph includes the initiation of proceedings in a court or the application for arbitration to an arbitration institution.

**Article 9** The Company shall establish an organization of Communist Party of China (the “Party”) in accordance with the provisions of the Constitution of the Communist Party of China, and the Party Committee shall play the role as the leader, setting the direction, managing the overall situation and ensuring implementation. The Company shall establish the Party’s working organizations to deal with Party affairs.

The Company shall provide necessary conditions for the Party organization to implement its normal activities. The establishment of the Party organization and the staffing of Party members shall be included in the Company’s management organization and staffing systems and the working funds of the Party organization shall be included in the Company’s budget as management expenses.

The Company shall exercise democratic management in accordance with the provisions of the Constitution of the People's Republic of China (《中華人民共和國憲法》) and relevant laws. The Company shall organize a labour union in accordance with laws, which shall carry out union activities and safeguard the lawful rights and interests of the employees. The Company shall provide necessary conditions for its labour union to carry out activities.

**Article 10** Within the scope specified in laws and regulations, the Company may invest in other institutions including limited liability companies and joint stock limited companies, and assume liabilities to the extent of its capital contribution. However, unless otherwise specified in laws, the Company shall not become an investor that is jointly and severally liable for the debts owed by the invested company.

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

## CHAPTER 2 BUSINESS OBJECTIVES AND SCOPE

**Article 11** The business objectives of the Company: to realize the vision together with one heart, strive for pragmatic innovation and keep the passion and gratitude so as to devote all its dedications to the creation of characteristic lifestyle services of urban construction; to maintain sincere communication, adhere to quality and achieve technology empowerment so as to devote all its endeavour to ensure urban functions, thereby developing the Company as a provider of urban renewal services and quality lifestyle services.

Article 9 of  
the Mandatory  
Provisions

**Article 12** The business scope of the Company: property management; residential property leasing business; urban landscaping and greening; catering management; hotel management; real estate brokerage services; public parking lot services for motor vehicles; maintenance of household electrical appliances (no business activities shall be carried out if it does not meet the operating regulations of household electrical appliances maintenance services); sales of machinery and equipment, building materials, furniture, daily necessities, computers, software and auxiliary equipment; heating services (except for coal-fired and oil-fuelled heat supply); big data services; software development; technology development, technology transfer, technology consultation, technical services; cleaning services; housekeeping services (no business services shall be provided if it does not meet the general requirements of housekeeping services); home care services for the elderly; etiquette services; conference services; exhibition and display services; tourism information consultation; environmental protection monitoring. (A market entity can independently select business projects and carry out operating activities in accordance with laws. For projects requiring approval according to laws, the operating activities can be commenced according to the approved content after the approval of the relevant departments. Operating activities prohibited and restricted by the industrial policies of the People's Republic of China and Beijing Municipality shall not be engaged.)

Article 10 of  
the Mandatory  
Provisions

The Company may change its business scope according to the domestic and international market demand, its own development capabilities and business needs.

## CHAPTER 3 SHARES

### Section 1 Issuance of Shares

**Article 13** The stocks of the Company shall take the form of shares. The Company shall have ordinary shares. Subject to the approval from the competent approving authorities authorized by the State Council, the Company may issue other classes of shares when necessary.

Article 125 of the Company Law, Article 11 of the Mandatory Provisions

**Article 14** The Company shall issue shares under the principles of openness, fairness and equality and shares of the same class shall carry the same rights.

Article 126 of the Company Law

The issuance conditions and price per share of the shares of the same class in the same issuance shall be the same; the same price shall be paid for each share subscribed for by any entities or individuals.

**Article 15** All the shares issued by the Company have a par value denominated in Renminbi, which shall be RMB1.00 for each share.

Article 12 of the Mandatory Provisions

The term “Renminbi” referred to in the preceding paragraph shall mean the legal currency of the People’s Republic of China.

**Article 16** The Company may, with approval from the securities regulatory authorities of the State Council or other relevant regulatory authorities, issue shares to domestic and overseas investors.

Article 13 of the Mandatory Provisions

The term “overseas investors” referred to in the preceding paragraph shall refer to investors from foreign countries or Hong Kong Special Administrative Region of the People’s Republic of China (hereinafter referred to as “Hong Kong”), Macao Special Administrative Region or Taiwan Region that subscribe for shares issued by the Company. The term “domestic investors” shall refer to investors inside the People’s Republic of China, excluding the abovementioned regions, that subscribe for shares issued by the Company.

**Article 17** The shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as “domestic shares”. The shares issued by the Company to overseas investors for subscription in foreign currencies shall be referred to as “foreign shares”. Foreign shares listed overseas shall be referred to as “overseas listed foreign shares”. Holders of domestic shares and overseas listed foreign shares have equal rights in any distribution by way of dividend or otherwise.

Article 14 of the Mandatory Provisions, Rule 9 of Appendix 3 to the Hong Kong Listing Rules, Rule 19A.01(3) (b) of the Hong Kong Listing Rules

Foreign shares issued by the Company and listed on the Hong Kong Stock Exchange shall be referred to as “H shares”. H shares shall be referred to the shares accepted for listing on the Hong Kong Stock Exchange which are denominated in Renminbi and are subscribed for and traded in Hong Kong dollars.

For the purpose of the foregoing paragraph, the term “foreign currencies” refers to the legal currencies, other than Renminbi, of other countries or regions which are approved by the foreign exchange administrative department of the People’s Republic of China for the payment of share monies to the Company.

Subject to approval of the securities regulatory authorities of the State Council, domestic shareholders of the Company can transfer all or part of the shares held to foreign investors for listing and trading on overseas stock exchanges, or convert all or part of their domestic shares (or other unlisted shares) to foreign shares for listing and trading on overseas stock exchanges. No general meeting or class meeting shall be required for the listing and trading of such transferred shares on overseas stock exchanges or for the listing and trading of such foreign shares converted from domestic shares on overseas stock exchanges. The listing and trading of the abovementioned shares on overseas stock exchanges shall be subject to the regulatory procedures, regulations and requirements of the relevant overseas stock markets. Domestic shares (or other unlisted shares), upon their conversion into overseas listed shares, shall be the same class of shares as the original overseas listed foreign shares.

**Article 18** The total number of ordinary shares issued by the Company is 110,000,000 shares. The Company issued 110,000,000 ordinary shares to its promoters upon its establishment, in which:

Article 15 of the Mandatory Provisions

No.	Name of the promoter	Number of shares held (shares)	Percentage of shareholding	Ways of capital contribution	Deadline for capital contribution
1	Beijing Urban Construction Investment & Development Co., Ltd.	49,092,189	44.63%	Equity interests	Before December 31, 2022
2	Beijing Urban Construction Group Co., Ltd.	38,779,865	35.25%	Equity interests	Before December 31, 2022
3	Beijing Uni.-Construction Group Co., Ltd.	15,521,702	14.11%	Equity interests	Before December 31, 2022
		5,359,783	4.87%	Currencies	Before December 31, 2022
4	Beijing Tianjie Group Co., Ltd.	1,246,461	1.13%	Currencies	Before December 31, 2022
<b>Total</b>		<b>110,000,000</b>	<b>100%</b>	—	—

*Note:* The abovementioned percentages of shareholding have been rounded.

**Article 19** Upon the approval from securities regulatory authorities, the Company issued 36,667,200 H shares under an initial public offering. On November 10, 2021, a total of 36,667,200 aforementioned shares were listed on the Main Board of the Hong Kong Stock Exchange.

Article 16 of the Mandatory Provisions, Rule 9 of Appendix 3 to the Hong Kong Listing Rules

Upon the completion of the abovementioned issuance of H shares, the total number of shares of the Company is 146,667,200 shares. The share capital structure comprises: 110,000,000 ordinary shares, of which an aggregate of 110,000,000 domestic shares are held by Beijing Urban Construction Investment & Development Co., Ltd., Beijing Urban Construction Group Co., Ltd., Beijing Uni.-Construction Group Co., Ltd. and Beijing Tianjie Group Co., Ltd., and an aggregate of 36,667,200 H shares are held by overseas listed foreign shareholders.



**Article 20** Domestic shares issued by the Company are deposited under the centralized custody of the securities depository institution that meets relevant requirements. The H Shares of the Company are mainly deposited under the custody of entrusted securities clearing companies in Hong Kong and such shares may also be held under the personal names of shareholders.

Article 17 of the Guidelines for Articles of Association

**Article 21** For the Company's plans for issuing overseas listed foreign shares and domestic shares approved by the securities regulatory authorities, the board of directors of the Company may arrange for implementation of such plan by separate issues.

Article 8 of the Special Provisions, Article 17 of the Mandatory Provisions

The Company may separately implement its plan for issuing overseas listed foreign shares and domestic shares pursuant to the preceding paragraph within fifteen (15) months from the date of approval of the securities regulatory authorities.

**Article 22** Where the Company issues overseas listed foreign shares and domestic shares respectively within the total number of shares specified in the issue plan, the respective shares shall be fully subscribed for in one go. Where it is impossible for respective shares to be fully subscribed for in one go under exceptional circumstances, the shares may be issued in several tranches subject to the approval of the securities regulatory authorities.

Article 9 of the Special Provisions, Article 18 of the Mandatory Provisions

**Article 23** The registered capital of the Company is RMB146,667,200.

Article 19 of the Mandatory Provisions

## **Section 2 Increase/Reduction and Repurchase of Shares**

**Article 24** The Company may, based on its business and development needs and in accordance with the provisions of the laws, administrative regulations, normative documents, departmental rules, the listing rules of the place where the shares of the Company are listed and these Articles of Association, increase its capital in the following manners upon resolutions being adopted at the general meetings:

Article 20 of the Mandatory Provisions, Article 21 of the Guidelines for Articles of Association

- (I) By public offering of shares;
- (II) By non-public offering of shares;
- (III) By placing shares to its existing shareholders;
- (IV) By distributing bonus shares to its existing shareholders;
- (V) By capitalizing its capital common reserve;
- (VI) By other means permitted by the laws, administrative regulations and relevant regulatory authorities.

The Company's capital increase through the issuance of new shares shall, after being approved in accordance with the provisions of these Articles of Association, be conducted in accordance with the procedures stipulated in the laws, administrative regulations, departmental rules, normative documents and the listing rules of the place where the shares of the Company are listed.

**Article 25** The Company may reduce its registered capital. Reduction of registered capital of the Company shall be made in accordance with the procedures stipulated in the Company Law and other relevant provisions and these Articles of Association.

Article 22 of  
the Mandatory  
Provisions

**Article 26** When the Company reduces its registered capital, it must prepare a balance sheet and an inventory list of assets.

Article 177 of  
the Company  
Law

The Company shall notify its creditors for the reduction of its registered capital in accordance with the requirements of the Company Law and these Articles of Association and publish an announcement, and shall repay its debts or provide a corresponding guarantee for such debts according to the requests of the creditors in compliance with the laws.

Article 23 of  
the Mandatory  
Provisions

**Article 27** Under the following circumstances, without violation of the provisions of the laws, regulations, the listing rules of the place where the shares of the Company are listed and these Articles of Association, the Company may repurchase its outstanding issued shares in accordance with the procedures stipulated in laws, subject to the approval obtained through the procedures stipulated in relevant laws and regulations and these Articles of Association:

Article 142 of  
the Company  
Law, Article  
24 of the  
Mandatory  
Provisions

- (I) To cancel shares for the purpose of reducing the registered capital of the Company;
- (II) To merge with other companies that hold shares of the Company;
- (III) To use the shares for employee stock ownership plan or as equity incentives;
- (IV) To acquire the shares of shareholders (upon their requests) who vote against to any resolution adopted at any general meeting on the merger or division of the Company;
- (V) To use the shares in the conversion of the convertible corporate bonds issued by the Company;
- (VI) Be necessary for the Company to protect its value and shareholders' equity interests;
- (VII) Other circumstances as permitted under relevant laws, administrative regulations, departmental rules, normative documents and the listing rules of the place where the shares of the Company are listed.

The Company shall not acquire the Company's shares save and except for the aforesaid circumstances. In the event that the Company repurchases its own shares in accordance with the provisions of this Article, the procedure, proportion and method of repurchase and disposal of the repurchased shares shall be in compliance with the provisions of laws, administrative regulations and the listing rules of the place where the shares of the Company are listed.

**Article 28** Subject to the compliance with the provisions of laws, administrative regulations, the listing rules of the place where the shares of the Company are listed and these Articles of Association, the Company may proceed in any one of the following manners after completing the procedures stipulated in laws and regulations and these Articles of Association:

- (I) Making a general offer to repurchase shares from all shareholders in the same proportion;
- (II) Repurchase through open transaction on stock exchanges;
- (III) Repurchase through an off-market agreement;
- (IV) Other means as permitted under the laws and administrative regulations and by relevant regulatory authorities.

**Article 29** Repurchases of shares of the Company under the circumstances specified in item (I) and item (II) stated in Article 27 of these Articles of Association shall be subject to the approval of the general meeting. Repurchases of shares of the Company under the circumstances specified in item (III), item (V) and item (VI) stated in Article 27 of these Articles of Association shall obtain approval from a meeting of the board of directors where over two-thirds (2/3) of the directors are present, in accordance with the provisions of these Articles of Association or the authorization of the general meeting.

Unless otherwise specified in laws, regulations or the listing rules of the place where the shares of the Company are listed, for any repurchase of the Company's shares pursuant to Article 27 of these Articles of Association, shares repurchased pursuant to item (I) shall be cancelled within ten (10) days from the date of the repurchase; for those circumstances described in item (II) or item (IV), the shares shall be transferred or cancelled within six (6) months; for those circumstances described in item (III), item (V) or item (VI), the total number of the Company's shares held by the Company shall not exceed ten per cent (10%) of the Company's total issued shares and shall be transferred or cancelled within three (3) years.

**Article 30** Where the Company repurchases its shares through an off-market agreement, it shall seek prior approval of the general meeting in accordance with these Articles of Association. The Company may rescind or revise a contract entered into in the aforementioned manner or waive any of its rights thereunder with prior approval of the general meeting obtained in the same manner.

The contract for the repurchase of shares referred to in the preceding paragraph includes but not limited to agreements on assuming obligations of the repurchase of shares and acquiring the rights of the shares repurchased.

The Company shall not assign a contract for repurchasing its own shares or any of its rights thereunder.

With regard to the redeemable shares that the Company has the right to repurchase, if they are not repurchased on the market or by way of tender, the prices of these shares shall not exceed a maximum price; if they are repurchased by way of tender, the tenders shall be available and proposed to all shareholders alike.

**Article 31** After the repurchase of shares by the Company in accordance with laws, the Company shall cancel such shares within the period prescribed by laws and administrative regulations, and shall apply to the original share registrar of the Company for registration of the change in its registered capital and publish a relevant announcement.

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

**Article 32** Unless the Company is in the course of liquidation, it shall comply with the following provisions in respect of the repurchases of its outstanding issued shares:

- (I) Where the Company repurchases its shares at par value, payment shall be made out of the book balance of the distributable profits of the Company or out of proceeds of a new issue of shares made for the repurchase of the old shares;
- (II) Where the Company repurchases its shares at a price higher than their par value, the portion corresponding to their par value shall be deducted from the book balance of distributable profits of the Company or from the proceeds of a new issue of shares made for the repurchase of the old shares; and the portion in excess of the par value shall be handled according to the following methods:
  - (1) If the shares repurchased were issued at par value, payment shall be made out of the book balance of the distributable profits of the Company;
  - (2) If the shares repurchased were issued at a price higher than their par value, payment shall be made out of the book balance of the distributable profits of the Company or out of the proceeds of a new issue of shares made for the repurchase of shares, provided that the amount paid out of the proceeds of the new issue of shares shall not be more than the aggregate of premiums received by the Company at the time of the issue of the old shares repurchased nor shall it be more than the amount of the Company's capital common reserve account (including the premiums on the new issue of shares) at the time of such repurchase.
- (III) Payment by the Company for the following purposes shall be paid out of the Company's distributable profits:
  - (1) Acquisition of rights to repurchase shares of the Company;
  - (2) Variation of any contract for repurchasing shares of the Company;
  - (3) Release of any of the Company's obligations under any contract for repurchasing its shares.
- (IV) After the aggregated par value of the cancelled shares has been deducted from the registered capital of the Company in accordance with relevant regulations, the amount deducted from the distributable profits for payment for repurchasing shares at their par value shall be accounted for in the Company's capital common reserve account.

Where relevant provisions of laws, administrative regulations, departmental rules, normative documents and relevant provisions of the securities regulatory authorities in the place where the shares of the Company are listed have any other requirement in respect of the financial arrangement related to the aforementioned repurchase of shares, such provisions shall prevail.

### Section 3 Transfer of Shares

**Article 33** Save as otherwise specified by laws, administrative regulations, departmental rules, normative documents and relevant provisions of the securities regulatory authorities in the place where the shares of the Company are listed, the shares of the Company may be transferred in accordance with laws, and its fully-paid shares shall be free from any restriction on the right of transfer and shall also be free from all lien. Transfer of overseas listed foreign shares listed in Hong Kong shall be registered with the local share registrar designated by the Company in Hong Kong.

Article 21 of the Mandatory Provisions, Rule 19A.46 and Rule 1(2) of Appendix 3 to the Hong Kong Listing Rules

**Article 34** All fully-paid overseas listed foreign shares listed on the Hong Kong Stock Exchange may be transferred freely in accordance with these Articles of Association. However, the board of directors may refuse to recognize any instrument of transfer without any reason unless the following conditions are satisfied:

Article 12 of the Letter of Opinions on Supplementary Amendments

- (I) The instrument of transfer and any other documents related to or affecting the title of any shares shall be registered. If an expense is charged for such registration, such expense shall not exceed the maximum expense as stipulated in the Hong Kong Listing Rules;
- (II) The instrument of transfer only relates to the H shares listed on the Hong Kong Stock Exchange;
- (III) The stamp duty required by the laws of Hong Kong for the instrument of transfer has been paid;
- (IV) The relevant share certificates and evidence reasonably required by the board of directors showing that the transferor has the rights to transfer such shares shall be provided;
- (V) If the shares are proposed to be transferred to joint holders, the number of such joint shareholders shall not be more than four (4);
- (VI) The relevant shares are free of any lien in favor of the Company;
- (VII) No transfer shall be made to minors or persons of unsound mind or others under legal disability.

Rule 19A.46 and Rule 1(1)(2)(3) of Appendix 3 to the Hong Kong Listing Rules

If the board of directors refuses to register the share transfer, the Company shall send a written notice in respect of such refusal of share transfer registration to the transferor and transferee within two (2) months from the date of the formal transfer application.

**Article 35** All transfers of H shares listed in Hong Kong may be effected by instruments of transfer in writing in a common form of the place where the shares of the Company are listed or in any other form acceptable to the board of directors. Transfers of H shares may be effected by the standard form of transfer or instrument of transfer specified by Hong Kong Stock Exchange. Such transfer instruments may only adopt manual signing or be affixed with a valid seal of the Company (if the transferor or transferee is a company). If the transferor or transferee is a recognized clearing house defined under the laws of Hong Kong or its agent, the transfer instruments may be signed in form of manual signing or machine printing.

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

**Article 36** The Company shall not accept its own shares as the subject matter of a pledge.

Article 142 of  
the Company  
Law

**Article 37** The shares of the Company issued to the promoters shall not be transferred within one (1) year from the date of establishment of the Company. Shares issued by the Company prior to a public offering shall not be transferred within one (1) year from the date on which the shares are listed and traded on the stock exchange.

Article 141 of  
the Company  
Law

Save as specified in the preceding paragraph, transfer of the shares of the Company by the promoters and shareholders of the Company shall also conform with relevant provisions of laws, regulations and regulatory rules for listed companies which are effective at that time.

Directors, supervisors and senior management of the Company shall report their shareholdings in the Company and their respective changes. All shares transferred within one year during his/her tenure shall not exceed twenty-five per cent (25%) of his/her total shareholding in the Company; and no transfer of shares held by him/her shall be allowed within one (1) year since the date when the shares of the Company are listed and traded on the stock exchange. The aforesaid personnel shall not transfer the shares of the Company held by him/her within half a year after leaving his/her office.

#### **Section 4 Financial Assistance for Acquisition of the Shares of the Company**

**Article 38** The Company or its subsidiaries shall not, by any means at any time, provide any financial assistance to a person who is acquiring or is proposing to acquire shares of the Company. The aforesaid acquirer of shares of the Company shall include a person who directly or indirectly assumes any obligations for the purpose of the acquisition of shares of the Company.

Article 29 of  
the Mandatory  
Provisions

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

The provisions in this Article shall not apply to the circumstances stated in Article 40 of these Articles of Association.

**Article 39** For the purpose of this section, the term “financial assistance” includes but not limited to the following means:

- (I) Gift;
- (II) Guarantee (including the undertaking of liability or provisions of property by the guarantor to secure the performance of the obligations by the obligator), or indemnity (other than indemnity arising from the Company’s own fault) and release or waiver of rights;
- (III) Provision of a loan or conclusion of a contract under which the obligations of the Company are to be fulfilled prior to the obligations of the other party to the contract, and a change in the parties to, and the assignment of rights arising under, such loan or contract;
- (IV) Any other form of financial assistance given by the Company when the Company is insolvent or has no net assets or when such assistance would lead to significant reduction of the Company’s net assets.

For the purpose of this section, the term “assuming obligations” includes the assumption of obligations by way of contract or the entering into an arrangement (whether enforceable or not, and whether entered into on its own account or with any other persons), or by the changing of the obligor’s financial position by any other means.

**Article 40** The following activities shall not be deemed to be activities prohibited under Article 38 of these Articles of Association:

- (I) The financial assistance by the Company is given in good faith and in the interest of the Company, and the principal purpose of the financial assistance is not for the acquisition of shares of the Company, or the financial assistance is an ancillary part of a master plan of the Company;
- (II) The lawful distribution of the Company’s assets by way of dividends;
- (III) The allotment of shares as dividends;
- (IV) A reduction of registered capital, a repurchase of shares or a reorganization of the capital structure of the Company in accordance with these Articles of Association;
- (V) The provision of a loan by the Company within its scope of business and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is paid out of the distributable profits of the Company);
- (VI) The provision of money by the Company for an employee stock ownership plan (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is paid out of the distributable profits of the Company).

## Section 5 Share Certificates and Register of Shareholders

**Article 41** The share certificates of the Company shall be in registered form.

Article 128 and  
Article 129 of  
the Company  
Law  
Article 32 of  
the Mandatory  
Provisions

In addition to the particulars provided for in the Company Law, the Company's share certificates shall include such other particulars as required to be specified by the stock exchange in the place where the shares of the Company are listed.

The Company may issue overseas listed foreign shares in form of foreign depository receipts or other derivative means of shares in accordance with the laws and the practice of registration and depository of securities in the listing place.

Article 3 of  
the Special  
Provisions

**Article 42** The Company's share certificates shall be signed by the chairman of the board of directors. Where the signatures of the general manager or other senior management of the Company are required by the securities regulatory authorities and stock exchanges in the place where the shares of the Company are listed, the Company's share certificates shall also be signed by the general manager or such other senior management. The Company's share certificates shall become effective after the Company's seal is affixed therewith or printed thereon. The share certificates shall only be affixed with the Company's seal under the authorization of the board of directors. The signature of the chairman of the board of directors, the general manager or other senior management on the share certificates may also be in printed form.

Article 128 of  
the Company  
Law

Article 33 of  
the Mandatory  
Provisions

Article 1 of  
the Letter of  
Opinions on  
Supplementary  
Amendments

In case of scripless issue and trading of the shares of the Company, the applicable provisions provided by the securities regulatory authorities and the stock exchange in the place where the shares of the Company are listed shall prevail.

Rule 2(1) of  
Appendix 3 to  
the Hong Kong  
Listing Rules

**Article 43** The Company shall maintain a register of shareholders in accordance with certificates from the share registrar, and shall register therein the following particulars:

Article 34 of  
the Mandatory  
Provisions

- (I) The name, address or domicile, occupation or nature of each shareholder;
- (II) The class and number of shares held by each shareholder;
- (III) The amount paid or payable in respect of the shares held by each shareholder;
- (IV) The serial numbers of the shares held by each shareholder;
- (V) The date on which each shareholder is registered as a shareholder;
- (VI) The date on which each shareholder ceases to be a shareholder.

The register of shareholders is a sufficient evidence of the shareholders' shareholdings in the Company unless there is evidence to the contrary.



**Article 44** The Company may, pursuant to the understanding and agreements made between the securities regulatory authorities of State Council and overseas securities regulatory authorities, keep the register of shareholders of overseas listed foreign shares outside the People's Republic of China and appoint overseas agents for management. The original register of shareholders of H shares listed on the Hong Kong Stock Exchange shall be kept in Hong Kong.

Article 35 of  
the Mandatory  
Provisions

Article 2 of  
the Letter of  
Opinions on  
Supplementary  
Amendments

The Company shall keep a duplicate of the register of shareholders of overseas listed foreign shares at the Company's address; the appointed overseas agent(s) shall ensure the consistency between the original and the duplicate of the register of shareholders of overseas listed foreign shares at all times.

Rule (b) of  
Section 1  
of Part D of  
Appendix 13 to  
the Hong Kong  
Listing Rules

If there is any inconsistency between the original and the duplicate of the register of shareholders of overseas listed foreign shares, the original version shall prevail.

**Article 45** The Company shall keep a complete register of shareholders. The register of shareholders shall include the followings:

Article 36 of  
the Mandatory  
Provisions

- (I) The register of shareholders kept at the Company's address other than those parts specified in items (II) and item (III) in this Article;
- (II) The registers of shareholders of overseas listed foreign shares of the Company kept in the place of the overseas stock exchange on which the shares of the Company are listed; and
- (III) The registers of shareholders kept in other places as the board of directors may decide necessary for the listing of the shares of the Company.

**Article 46** Different parts of the register of shareholders shall not overlap. No transfer of the shares registered in any part of the register of shareholders shall be registered in any other part of the register of shareholders at the same time.

Article 37 of  
the Mandatory  
Provisions

Amendments or rectification of any part of the register of shareholders shall be made in accordance with the laws of the place where the relevant part of the register of shareholders is maintained. During the period when the H shares are listed on the Hong Kong Stock Exchange, the Company must ensure that all of the title documents of the securities listed on the Hong Kong Stock Exchange (including share certificates) include the statements as follows. The Company shall instruct and procure the share registrars not to register the subscription, purchase or transfer of its shares in the name of any individual holder unless and until such individual holder submits such properly executed forms in respect of such shares to the share registrars which shall include the statements as follows:

Rule 19A.52 of  
the Hong Kong  
Listing Rules

- (I) The share purchasers and the Company and each of the shareholders, and the Company and each of the shareholders shall agree to observe and comply with the provisions of the Company Law, the Special Provisions as well as other relevant laws and regulations and the Articles of Association of the Company;

- (II) The share purchasers and the Company, each of the shareholders, directors, supervisors and senior management of the Company shall agree, and the Company acting for itself and on behalf of each of the directors, supervisors and senior management shall agree with each of the shareholders, that disputes or claims incurred as a result of these Articles of Association or in respect of the rights and obligations provided in the Company Law or other relevant laws or regulations or in relation to the affairs of the Company shall be submitted to arbitration in accordance with the Articles of Association of the Company, and any submission to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and to publish its award. Such arbitration shall be final and conclusive;
- (III) The share purchasers and the Company and each of the shareholders agree that the shares of the Company may be freely transferred by the holder thereof;
- (IV) The share purchasers authorize the Company to enter into a contract on their behalf with each of the directors and senior management. Pursuant to the contract, the directors and senior management undertake to observe and fulfil their responsibilities to the shareholders under the Articles of Association of the Company.

**Article 47** Where applicable laws, regulations and the Hong Kong Listing Rules stipulate the period of closure of the register of shareholders prior to a general meeting or the base date on which the Company decides to distribute dividends, such provisions shall prevail.

Article 38 of the Mandatory Provisions

**Article 48** When the Company convenes a general meeting, distributes dividends, commences liquidation or participates in other activities which require to confirm the identification of shareholders, the convener of the board of directors or the general meeting shall decide the record date. The shareholders whose names appear on the register of shareholders after the close of trading on the record date shall be entitled to relevant rights.

Article 139 of the Company Law

Article 39 of the Mandatory Provisions, Article 31 of the Guidelines for Articles of Association

**Article 49** Any person who disputes the register of shareholders and requests to have his/her name entered in or removed from the register of shareholders may apply to a competent court for rectification of the register of shareholders.

Article 40 of the Mandatory Provisions

**Article 50** Any shareholder who is registered in, or any person who requests to have his/her name entered in, the register of shareholders may apply to the Company for the issuance of a replacement share certificate in respect of such shares (the “Relevant Shares”) if his/her share certificate (the “Original Share Certificate”) is lost.

Article 41 of the Mandatory Provisions, Rule 2(2) of Appendix 3 to the Hong Kong Listing Rules

If a shareholder who has lost his/her share certificate of domestic shares applies for a replacement share certificate, it shall be dealt with in accordance with relevant provisions of the Company Law.

If a shareholder who has lost his/her share certificate of overseas listed foreign shares applies for a replacement share certificate, it shall be dealt with in accordance with the laws, rules of the stock exchange or other relevant provisions of the place where the original register of shareholders of overseas listed foreign shares is kept.

If a shareholder who has lost his/her share certificate of overseas listed foreign shares applies for a replacement share certificates, it shall be dealt with in accordance with the following requirements:

- (I) The applicant shall made 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 and the circumstances and the evidence of the pilferage, loss or destruction, 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.
- (II) Before the Company decides to issue the new replacement share certificate, no statement made by any person other than the applicant declaring that his/her name shall be entered in the register of shareholders in respect of such shares has been received.
- (III) The Company shall, if it decides to issue a new replacement share certificate to the applicant, publish an announcement in respect of the issuance of a new replacement share certificate in such newspapers as may be designated by the board of directors; the period of announcement shall be ninety (90) days and the announcement shall be reissued at least once every thirty (30) days.
- (IV) The Company shall, prior to the publication of the announcement of its proposed issuance of a replacement share certificate, submit to the stock exchange on which its shares are listed a copy of the announcement to be published, and may publish the announcement upon receiving confirmation from such stock exchange that the announcement has been exhibited at the premises of the said stock exchange. Such announcement shall be exhibited at the premises of the said stock exchange for a period of ninety (90) days. If the application for replacement of a share certificate is made without the consent of the registered holder of the Relevant Shares, the Company shall deliver by mail to such registered shareholder a photocopy of the announcement to be published.
- (V) If, upon expiry of the period of ninety (90) days referred to in item (III) and item (IV) of this Article, the Company has not received from any person any objection to such application in respect of the issuance of a replacement share certificate, the Company may issue a new replacement share certificate to the applicant accordingly.
- (VI) Where the Company issues a new replacement share certificate under this Article, it shall immediately cancel the Original Share Certificate and record the cancellation and replacement issue in the register of shareholders accordingly.
- (VII) All expenses related to the cancellation of the Original Share Certificate and the issuance of a new replacement share certificate by the Company shall be borne by the applicant and the Company is entitled to refuse to take any action until the applicant has provided reasonable security.

For the share certificates issued by the Company to bearers, no new share certificate shall be issued to replace one that has been lost, unless the Company is satisfied beyond reasonable doubt that the Original Share Certificate has been destroyed.

**Article 51** Where the Company issues a new replacement share certificate pursuant to these Articles of Association, the name of a bona fide purchaser gaining possession of such new share certificate or the person who is subsequently entered in the register of shareholders as the holder of such shares (if he/she is a bona fide purchaser) shall not be removed from the register of shareholders.

Article 42 of  
the Mandatory  
Provisions

**Article 52** The Company shall not be liable for any damages suffered by any person arising from the cancellation of the Original Share Certificate or the issuance of a new replacement share certificate, unless the claimant can prove that the Company has committed a fraudulent act.

Article 43 of  
the Mandatory  
Provisions

## CHAPTER 4 SHAREHOLDERS AND GENERAL MEETINGS

### Section 1 Shareholders

**Article 53** A shareholder of the Company is a person who lawfully holds shares of the Company and has his/her name recorded in the register of shareholders.

Article 44 of  
the Mandatory  
Provisions

A shareholder shall enjoy the relevant rights and assume the relevant obligations in accordance with the class and number of shares he/she holds. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

Where two or more persons are registered as joint holders of any shares, they shall be deemed as the common owners of the said shares subject to the following restrictions:

Rule 1(3) of  
Appendix 3 to  
the Hong Kong  
Listing Rules

- (I) The Company shall not register more than four (4) persons as joint holders of any shares;
- (II) The joint holders of any shares shall assume joint and several liabilities for all amounts payable for relevant shares;
- (III) If any of the joint shareholders deceases, only the surviving joint shareholders shall be deemed by the Company as having title to the relevant shares, but the board of directors may, for the purpose of modifying the register of shareholders, require the surviving joint shareholders to provide a death certificate as it deems appropriate;
- (IV) For joint shareholders of any shares, the person whose name stands first in the register of shareholders shall be entitled to receive the share certificate of the relevant shares or receive the notice from the Company, and the service of notice to the aforesaid person shall be deemed as service of notice to all joint shareholders of relevant shares. Any of the joint shareholders may sign a proxy form, attend the general meetings of the Company or exercise all the voting rights attached to the relevant shares, provided that if one or more of the joint shareholders attend a meeting in person or by proxy, the vote of the senior joint shareholder who tenders a vote will be accepted to the exclusion of the vote(s) of the other joint shareholder(s). For this purpose, seniority will be determined by the order in which the names stand in the register of shareholders in respect of relevant shares.

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

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

Article 97 of  
the Company  
Law, Article  
45 of the  
Mandatory  
Provisions,  
Rule 19A.50 of  
the Hong Kong  
Listing Rules

- (I) The rights to receive dividends and other forms of profit distribution in proportion to the number of shares held by them;
- (II) The rights to request, convene, host, attend or appoint a proxy to attend a general meeting and exercise corresponding voting rights in accordance with laws;
- (III) The rights to supervise and manage the operating activities of the business of the Company, to put forward proposals and raise inquiries;
- (IV) The rights to transfer, donate, or pledge shares held by them in accordance with relevant provisions of the laws, administrative regulations, normative documents and the securities regulatory authorities in the place where the shares of the Company are listed;
- (V) The rights to obtain relevant information in accordance with the provisions of the laws, administrative regulations, departmental rules, normative documents, the listing rules of the place where the shares of the Company are listed and these Articles of Association, including:
  1. The right to obtain a copy of these Articles of Association, subject to the payment of reasonable fees;
  2. The right to access to and reproduce, subject to the payment of reasonable fees:
    - (1) All parts of the register of shareholders;
    - (2) Personal particulars of each of the directors, supervisors and senior management, including:
      - (a) Present and former name and alias;
      - (b) Principal residential address (domicile);
      - (c) Nationality;
      - (d) Full-time and all other part-time occupations and duties;
      - (e) Identification documents and their numbers.
    - (3) Report on the status of the Company's share capital;
    - (4) Special resolutions of the Company;
    - (5) Report on the total par value, quantity, the highest price and the lowest price of every class of shares that the Company has repurchased since the end of the last financial year, as well as all the expenses that the Company has paid for them, which are segmented by domestic shares and foreign shares;

- (6) Minutes of general meetings;
- (7) Financial and accounting reports, the latest audited financial statements as well as the reports of the board of directors, the auditors and the supervisory committee;
- (8) The latest annual report that has been filed with the share registrar of the Company or other competent authorities for record.

Documents referred to in item (1) to item (8) (excluding item (2)) above shall be maintained at the Company's address in Hong Kong according to the requirements of the Hong Kong Listing Rules and shall be made available for inspection by the public and shareholders free of charge (except for minutes of general meetings which shall be made available for inspection by shareholders only).

- (VI) In the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining property of the Company in proportion to the shares held by them;
- (VII) The right to require the Company to purchase their shares in the event of their objection to resolutions of the general meeting concerning merger or division of the Company;
- (VIII) The right for shareholders who severally or jointly hold three per cent (3%) or more of the Company's shares to make a provisional proposal in writing to the board of directors no later than ten (10) working days before the date of general meeting;
- (IX) Other rights stipulated in the provisions of the laws, administrative regulations, departmental rules, normative documents, the listing rules of the place where the shares of the Company are listed or these Articles of Association.

The Company shall not exercise any power to freeze or otherwise impair any of the rights attaching to any shares held by the person who is interested directly or indirectly therein on the ground only that such person has failed to disclose his/her interests to the Company.

Rule 12 of  
Appendix 3 to  
the Hong Kong  
Listing Rules

**Article 55** Where shareholders request for inspection of the relevant information or demand for materials as mentioned in the preceding Article, they shall provide the Company with written documents evidencing the class and number of shares of the Company they hold. Upon verification of the shareholder's identity, the Company shall provide information requested by such shareholder.

Article 13 of  
the Guidelines  
for Articles of  
Association

**Article 56** Shareholders of ordinary shares of the Company shall have the following obligations:

Article 83 of  
the Company  
Law, Article  
46 of the  
Mandatory  
Provisions

- (I) To abide by laws, administrative regulations and these Articles of Association;
- (II) To pay for the shares based on the shares subscribed for and the manners in which they became shareholders;
- (III) To be liable to the Company to the extent of the shares they hold;
- (IV) Save as stipulated in laws or regulations, no share refund is allowed upon the approval for registration with the Company;
- (V) Other obligations imposed by the laws, administrative regulations and these Articles of Association.

Shareholders are not liable for making any further contribution to the share capital other than the conditions as agreed upon subscription by them in the capacity of the subscribers.

**Article 57** Except for the obligations as required by laws, administrative regulations, departmental rules, normative documents or the listing rules of the place where the shares of the Company are listed, the controlling shareholders in exercising their voting rights shall not make any decisions affecting the benefits of all or part of the shareholders in respect of the following matters:

Article 47 of  
the Mandatory  
Provisions

- (I) Exempting the responsibility of any director or supervisor to act in good faith for the best interest of the Company;
- (II) Approving any director or supervisor (for the benefit of himself/herself or other persons) to deprive of the property of the Company in any form, including (but not limited to) the opportunities that are favorable to the Company;
- (III) Approving any director or supervisor (for the benefit of himself/herself or other persons) to deprive of the individual interests of other shareholders, including (but not limited to) any distribution rights or voting rights, but excluding the reorganization of the Company which is submitted to the general meeting for approval in accordance with these Articles of Associations.

## Section 2 General Provisions for General Meetings

**Article 58** The general meeting is the body of authority of the Company and shall exercise the following powers in accordance with the laws:

Article 49 and  
Article 50 of  
the Mandatory  
Provisions

- (I) To decide on the operating objectives, development strategies and investment plans of the Company;
- (II) To elect and replace directors and supervisors who are not staff representatives, and to determine matters related to the remuneration of the relevant directors and supervisors;
- (III) To consider and approve the reports of the board of directors;
- (IV) To consider and approve the reports of the supervisory committee;
- (V) To consider and approve the proposed annual financial budgets and final account proposals of the Company;
- (VI) To consider and approve the profit distribution plans and plans for loss recovery of the Company;
- (VII) To determine the increase or reduction of the registered capital of the Company;
- (VIII) To determine the merger, division, dissolution and liquidation of the Company or alteration of corporate form;
- (IX) To determine the issuance of corporate bonds or other securities by the Company and its listing proposal;
- (X) To consider and approve the shares holding by the employees or the share incentive plans;
- (XI) To amend these Articles of Association;
- (XII) To consider and approve the Company's purchase or sale of major assets within one year with the transaction amount exceeding 30% of the latest audited total assets of the Company;
- (XIII) To consider and approve matters regarding external guarantees required to be resolved at a general meeting pursuant to the requirements of these Articles of Association;
- (XIV) To consider and approve connected transactions required to be resolved at a general meeting pursuant to the requirements of laws, regulations and the listing rules of the place where the shares of the Company are listed;
- (XV) To determine the appointment, dismissal or non-reappointment of accounting firms;
- (XVI) To consider proposals from shareholders representing three per cent (3%) or more of voting rights in the Company;



(XVII) To consider and approve other matters required to be resolved at a general meeting pursuant to the laws, administrative regulations, departmental rules, normative documents, the listing rules of the place where the shares of the Company are listed and these Articles of Association.

The general meeting may authorize or delegate the board of directors to process matters authorized or delegated by the general meeting, including but not limited to the following matters at the general meeting:

1. Subject to applicable laws, regulations and listing rules of the place where the shares of the Company are listed, to grant the general mandate to the board of directors to issue, allot and deal with additional H shares not exceeding 20% (or other proportions as prescribed by applicable laws, regulations and listing rules of the place where the shares of the Company are listed) of the H shares in issue and authorize the board of directors to make corresponding amendments to these Articles of Association as it deems fit so as to reflect the new capital structure upon the allotment or issuance of shares;
2. To authorize the board of directors, within the cap amount of debt issuance, to determine the specific terms and the relevant matters in relation to the issuance of the debt financing instruments such as domestic short-term financial instruments, medium-term notes, corporate bonds, overseas USD bonds based on the needs for production, operation and capital expenditure as well as the market conditions, including (but not limited to) the determination of the amount, interest rate, term, targeted group and use of proceeds of the bonds being actually issued, as well as the preparation, signing and disclosure of all necessary documents thereof subject to the aforementioned limit.

**Article 59** The following external guarantees of the Company must be considered and approved by the general meeting.

Article 41 of  
the Guidelines  
for Articles of  
Association

- (I) Any guarantee provided by the Company and its controlling subsidiary with a total amount of external guarantee reaching or exceeding 50% of the audited net assets for the latest period;
- (II) Any guarantee provided by the Company with a total amount of external guarantee reaching or exceeding 30% of the audited total assets for the latest period;
- (III) Guarantees provided to any guaranteed party whose gearing ratio exceeds 70%;
- (IV) Guarantees of which the amount of a single guarantee exceeds 10% of the audited net assets for the latest period;
- (V) Guarantees provided to the shareholders, de facto controller and their related parties.

**Article 60** A shareholder or other shareholders under the control of de facto controller shall abstain from voting on a resolution for the provision of guarantee to such shareholder or de facto controller at the general meeting, and the resolution shall be passed by more than one half of the voting rights represented by other shareholders presented at the general meeting.

Article 16 and  
Article 148 of  
the Company  
Law

If a director, the general manager or any other senior management member violates a provision on the approval authority or approval procedure for the provision of external guarantees as specified in the laws, administrative regulations or these Articles of Association, thereby causing the Company to suffer a loss, he/she shall be liable for damages and the Company may take legal action against him/her in accordance with laws.

**Article 61** Unless the Company is in a crisis or any special circumstance, the Company may not enter into any contract with anyone other than a director, a supervisor, the general manager or other senior management to have all or significant part of the Company's business in the care of the said person, unless with the approval by a special resolution at a general meeting.

Article 51 of  
the Mandatory  
Provisions

**Article 62** The general meetings are classified into annual general meetings and extraordinary general meetings. The annual general meetings shall be convened once (1) a year within six (6) months from the end of the previous financial year.

Clause 1 of  
Article 52 of  
the Mandatory  
Provisions

**Article 63** The extraordinary general meetings shall be convened as and when necessary. Under any of the following circumstances, the Company shall convene an extraordinary general meeting within two (2) months since the date of occurrence:

Article 100 of  
the Company  
Law, Clause 2  
of Article 52 of  
the Mandatory  
Provisions,  
Article 6 of the  
Opinions

- (I) When the number of directors is less than the minimum number required by the Company Law or two-thirds (2/3) of the number required by these Articles of Association;
- (II) When the unrecovered losses of the Company amount to one-third (1/3) of the total amount of its paid-in share capital;
- (III) Where any shareholder holding severally or collectively more than ten per cent (10%) of the shares requests in writing for the convening of an extraordinary general meeting;
- (IV) When deemed necessary by the board of directors or when proposed by the supervisory committee;
- (V) When proposed by more than two (2) independent non-executive directors;
- (VI) Other circumstances stipulated in laws, administrative regulations, departmental rules, listing rules of the place where the shares of the Company are listed or these Articles of Association.

The number of shares held as described in Item (III) above shall be calculated based on the shares of the Company held by the shareholder at the time when the market closed on the date when such written request is made by such shareholder or the preceding trading day (if the date on which such written request is made falls on a non-trading day).

**Article 64** The venue for convening a general meeting of the Company shall be the conference room at the domicile of the Company or such other places as specified at the notice of the general meeting.

Article 44 of  
the Guidelines  
for Articles of  
Association

The general meeting shall be held onsite at the venue prepared in advance. The Company may facilitate the shareholders to attend the general meeting by providing internet services or through other means authorized or required by relevant securities regulatory authorities. A shareholder who participated in a general meeting in the aforesaid manners shall be deemed present at the meeting.

### **Section 3 Convening of General Meetings**

**Article 65** The general meetings shall be convened by the board of directors. The supervisory committee or shareholders may convene the general meetings on their own initiative, subject to the relevant requirements specified in this section.

Article 46 of  
the Guidelines  
for Articles of  
Association,  
Article 6 of the  
Opinions

More than two (2) independent non-executive directors shall be entitled to propose to the board of directors to convene an extraordinary general meeting. The board of directors shall, in accordance with the provisions of the laws, administrative regulations and these Articles of Association, inform in writing whether it agrees or disagrees to convene an extraordinary general meeting within ten (10) days upon receipt of the proposal.

If the board of directors agrees to convene the extraordinary general meeting, it shall serve a notice of such general meeting within five (5) days after the resolution is made by the board of directors. If the board of directors does not agree to hold the extraordinary general meeting, it shall give the reasons and publish an announcement thereof.

**Article 66** The supervisory committee shall be entitled to propose to the board of directors to convene an extraordinary general meeting, and shall put forward its proposal to the board of directors in writing. The board of directors shall, in accordance with the provisions of the laws, administrative regulations and these Articles of Association, inform in writing whether it agrees or disagrees to convene the extraordinary general meeting within ten (10) days upon receipt of the proposal.

Article 47 of  
the Guidelines  
for Articles of  
Association

If the board of directors agrees to convene the extraordinary general meeting, it shall serve a notice of such general meeting within five (5) days after the resolution is made by the board of directors. In the event of any change to the original proposal set forth in the notice, the consent of the supervisory committee shall be obtained.

If the board of directors does not agree to convene the extraordinary general meeting or fails to respond within ten (10) days upon receipt of the proposal, it shall be deemed to be unable to perform or fail to perform the duty of convening the extraordinary general meeting, and the supervisory committee may convene and preside over the meeting itself.

**Article 67** Shareholder(s) severally or jointly holding more than ten per cent (10%) of the shares of the Company shall be entitled to request the board of directors to convene an extraordinary general meeting or a class meeting, and shall put forward such request to the board of directors in writing. The board of directors shall, in accordance with the provisions of the laws, administrative regulations and these Articles of Association, inform in writing whether it agrees or disagrees to convene the extraordinary general meeting or class meeting within ten (10) days upon receipt of the proposal.

If the board of directors agrees to convene the extraordinary general meeting or class meeting, it shall serve a notice of such general meeting or class meeting within five (5) days after the resolution is made by the board of directors. In the event of any change to the original proposal set forth in the notice, the consent of relevant shareholder(s) shall be obtained.

If the board of directors does not agree to convene the extraordinary general meeting or class meeting or fails to respond within ten (10) days upon receipt of the proposal, shareholder(s) severally or jointly holding more than ten per cent (10%) of the shares of the Company shall be entitled to propose to the supervisory committee to convene an extraordinary general meeting or a class meeting, and shall put forward such request to the supervisory committee in writing.

If the supervisory committee agrees to convene the extraordinary general meeting or class meeting, it shall serve a notice of such meeting within five (5) days upon receipt of the said request. In the event of any change to the original proposal set forth in the notice, the consent of relevant shareholder(s) shall be obtained.

In the case of failure to issue the notice of extraordinary general meeting or class meeting within the prescribed period, the supervisory committee shall be deemed as failing to convene and preside over such meeting and the shareholder(s) severally or jointly holding more than ten per cent (10%) of the shares of the Company for more than ninety (90) consecutive days may convene and preside over such meeting by itself/themselves.

The shareholding of the convening shareholders shall be no less than ten per cent (10%) before a resolution passed at the general meeting is announced.

**Article 68** Where the supervisory committee or shareholders convene and preside over a meeting by themselves in accordance with the provisions of this section, a written notice shall be sent to the board of directors and, in accordance with applicable regulations, filed with the local securities regulatory authorities and relevant stock exchange at the place where the Company is located. The board of directors and the secretary to the board of directors shall cooperate in terms of such meetings. The board of directors shall provide the register of shareholders on the shareholding record date. The expenses reasonably accrued therefrom shall be borne by the Company and be deducted from the amounts due by the Company to the negligent directors.

## Section 4 Proposals and Notices of General Meetings

**Article 69** The contents of the proposals of the general meetings to be put forward shall be within the scope of duties of the general meetings. It shall have a clear topic and specific matters to be resolved, and shall be in compliance with relevant provisions of the laws, administrative regulations, departmental rules, normative documents, listing rules of the place where the Company's shares are listed and these Articles of Association.

Article 52 of the Guidelines for Articles of Association

**Article 70** When a general meeting is convened by the Company, the board of directors, supervisory committee and shareholders who severally or jointly hold three per cent (3%) or more of the shares of the Company, shall be entitled to make proposals to the general meetings.

Article 102 of the Company Law, Article 54 of the Mandatory Provisions,

Shareholders, who severally or jointly hold three per cent (3%) or more of the shares of the Company, may submit ad hoc proposals in writing to the convener ten (10) days before the convening of the general meeting. The convener shall issue a supplemental notice of the general meeting within two (2) days upon receipt of the proposals and announce the contents of the ad hoc proposals, as well as include such proposed motions on the agenda of such meeting for consideration and approval at such general meeting if they are matters falling within the functions and powers of the general meetings.

Article 53 of the Guidelines for Articles of Association

Apart from the circumstances as stipulated in the preceding paragraph, after the convener has given the notice of the general meeting, no proposals specified in such notice of general meeting shall be altered and no new proposals shall be added therein.

Proposals not specified in the notice of general meeting or not complying with Article 69 of these Articles of Association shall not be voted or resolved at the general meeting.

**Article 71** The nomination of directors and supervisors (other than employee representative supervisors) at the general meeting shall follow the approaches and procedures below:

Article 4 of the Letter of Opinions on Supplementary Amendments, Rule 4(4)(5) of Appendix 3 to the Hong Kong Listing Rules

- (I) Shareholder(s) severally or jointly holding at least three per cent (3%) of the total outstanding voting shares of the Company may, by way of a written proposal, put forward to the general meeting about the candidates for directors and supervisors (not being employee representatives). However, the number of candidates nominated must comply with the provisions of these Articles of Association, and shall not be more than the number to be elected. The aforesaid proposal put forward by the shareholders to the Company shall be served to the Company at least seven (7) days before the convening of the general meeting.
- (II) Within the number of persons as specified in these Articles of Association and based on the proposed number of candidates to be elected, the directors and supervisors may propose a list of candidates for directors and supervisors, which shall be submitted to the board of directors and the supervisory committee for examination, respectively. The list of candidates for directors and supervisors, which has been determined by deliberation and resolution of the board of directors and the supervisory committee, shall be proposed at a general meeting by way of a written proposal.

- (III) The written materials for the intention to nominate a candidate for election as a director or a supervisor (not being an employee representative), the written notice of the candidate on his/her willingness to accept the nomination, and the details of the nominees in writing shall be given to the Company no less than seven (7) days prior to the date of the convening of the general meeting (and such notice period of seven (7) days shall commence no earlier than the day following the date of serving the notice of the meeting for such election and end no later than seven (7) days before the date of the general meeting). The board of directors and the supervisory committee shall provide shareholders with the biography and basic information of the candidates for directors and supervisors.
- (IV) The period for the nominator to give the Company the notice of nominating a candidate for election as a director or a supervisor and the period for the nominee who has indicated his/her willingness to accept the nomination to submit the aforesaid notice and documents (such period shall commence from the day following the date of serving the notice of the general meeting) shall be no less than seven (7) days.
- (V) At the general meeting, voting for each candidate for a director or a supervisor shall be taken on a one-by-one basis.

**Article 72** Where the Company convenes an annual general meeting, a written notice of the meeting shall be given to all shareholders whose names appear on the register of shareholders at least twenty (20) clear days prior the date of the meeting, to notify all shareholders whose names appear on the register of shareholders of the matters to be considered at and the date and place of the meeting. Where the Company convenes an extraordinary general meeting, a written notice of the meeting shall be given to all shareholders whose names appear on the register of shareholders at least fifteen (15) clear days or ten (10) working days (whichever is longer) prior the date of the meeting.

Article 53 of the Mandatory Provisions, the Reply on Adjusting the Notice Period, Article 54 of the Guidelines for Articles of Association, Code E.1.3 of Corporate Governance Code of Appendix 14 to the Hong Kong Listing Rules

For the purpose of determining the period of notice, neither the date on which the meeting is convened nor the date on which the notice is issued shall be included.

**Article 73** A notice of general meeting shall:

- (I) Be in writing;
- (II) Specify the time, date and place of the meeting;
- (III) State the matters to be considered at the meeting;
- (IV) Provide such information and explanation as are necessary for the shareholders to make an informed decision on the matter to be considered. This principle includes (but not limited to), where a proposal is made to consolidate and repurchase the shares of the Company, to reorganize its share capital, or to restructure the Company in any other way, the specific terms and the contract, if any, of the proposed transaction must be provided and the reason and effect of such proposal must be properly explained;

Article 56 of the Mandatory Provisions, Article 55 of the Guidelines for Articles of Association

- (V) Contain a disclosure of the nature and extent of the material interests, if any, of any director, supervisor, the general manager and other senior management in the matter to be considered, and difference in the effect which the matter to be considered will have on them in their capacity as shareholders so far as it is different from the effect on the interests of shareholders of the same class;
- (VI) Contain the full text of any special resolution to be proposed for approval at the meeting;
- (VII) Conspicuously contain a statement stating that any shareholder entitled to attend and vote at the general meeting shall be entitled to appoint one or more proxies to attend and vote at such meeting on his/her behalf and that a proxy need not be a shareholder;
- (VIII) Specify the date and place for the delivery of proxy form for voting at the meeting;
- (IX) Specify the record date for determining the shareholders who are entitled to attend the general meeting;
- (X) State the names and telephone numbers of the contact persons for the meeting;
- (XI) Be in compliance with other provisions of the laws, administrative regulations, departmental rules, normative documents and the listing rules of the place where the shares of the Company are listed.

The period between the record date and the date of the meeting shall be in compliance with the provisions of relevant regulatory authorities at the place where the securities of the Company are listed. The record date shall not be changed once it is confirmed.

**Article 74** Unless otherwise specified in these Articles of Association, a notice of general meeting shall be served on every shareholder (whether or not such shareholder is entitled to vote at the meeting) by hand or prepaid mail. For the notice delivered by hand or prepaid mail, it shall be delivered to the address of the shareholder as shown in the register of shareholders. For the holders of domestic shares, a notice of general meeting may also be given by way of public announcement.

Article 57 of the Mandatory Provisions, Rule 7 of Appendix 3 to the Hong Kong Listing Rules

The “public announcement” referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authorities of the State Council in accordance with applicable laws, regulations and the listing rules of the place where the shares of the Company are listed. Upon the publication of such announcement, all holders of domestic shares shall be deemed to have received the notice of relevant general meeting.

The notice of general meeting to holders of H shares may be given via the website of the Hong Kong Stock Exchange and the website of the Company. Upon the publication of such announcement, all holders of H shares shall be deemed to have received the notice of relevant general meeting.

**Article 75** 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 invalidate the meeting and the resolutions passed thereat.

Article 58 of the Mandatory Provisions

**Article 76** After the issuance of the notice of general meeting, the general meeting shall not be postponed or cancelled, and the proposals set out in such notice of general meeting shall not be cancelled without valid reasons. Where a general meeting has to be postponed or cancelled in special circumstances, the convener shall publish an announcement stating the relevant reasons at least two (2) working days prior to the original date of the general meeting.

Article 57 of  
the Guidelines  
for Articles of  
Association

## Section 5 The Convening of General Meetings

**Article 77** The board of directors of the Company and other conveners shall take necessary measures to ensure the normal order at the general meeting. For any disturbance to the order at the meeting and acts infringing the lawful interests of the shareholders, preventive measures shall be taken, and any such incidents shall be reported to the relevant authorities for investigation and tackling.

Article 58 of  
the Guidelines  
for Articles of  
Association

**Article 78** Any shareholder who is entitled to attend and vote at the general meeting may attend the general meeting in person, or appoint proxies to attend and vote on his/her behalf. A shareholder shall be entitled to appoint one or more persons, who need not be a shareholder, as his/her proxy(ies) to attend and vote on his/her behalf, and a proxy so appointed shall be entitled to exercise the following rights pursuant to the authorization of that shareholder:

Article 59 of  
the Mandatory  
Provisions

- (I) The right to speak at the meeting;
- (II) The right to demand for voting by a poll severally or jointly with others;
- (III) Unless otherwise specified in these Articles of Association, the right to vote by hand or on a poll, but if there are more than one (1) proxy appointed by the shareholder, they may only exercise the voting power on a poll.

**Article 79** A shareholder shall authorize a proxy in a written form, with the signature of the principal or the proxy authorized by him/her/it in a written form. If the principal is a legal person, the legal person seal or the signature of its director or officially authorized proxy shall be affixed.

Article 60 of  
the Mandatory  
Provisions

**Article 80** The proxy form shall be deposited at the domicile of the Company or such other places as the notice of relevant meeting may specify not less than twenty-four (24) hours prior to the convening of the meeting at which the relevant matters will be voted on, or twenty-four (24) hours before the designated voting time. If the principal authorizes any other person to sign the proxy form, the power of attorney or other authority shall be notarized. The notarized power of attorney or other authority must be delivered to the domicile of the Company or such other places specified in the notice of meeting together with the proxy form.

Article 61 of  
the Mandatory  
Provisions

If the principal is a corporation, its legal representatives or any other person authorized by its board of directors or other governing bodies shall act as a representative to attend the general meeting of the Company.

If a shareholder is a recognized clearing house or its agent within the meaning of the laws of Hong Kong, it may authorize one (1) or more proxy(ies) as it thinks fit to act as its proxy(ies) at any general meeting or class meeting of shareholders. However, if more than one (1) proxy is appointed, the proxy form shall specify the number and class of shares represented by each of such proxies under the authorization. Such authorized proxies may exercise the right on behalf of the recognized clearing house or its agent, as if they are the individual shareholders of the Company.



**Article 81** Any proxy form issued to a shareholder by the board of directors of the Company for use in appointing a proxy shall be in such format as to enable the shareholder to instruct the proxy to vote in favor of or against the proposals according to his/her free will, and instructions shall be given in respect of each single matter to be voted on at the meeting. The proxy forms shall contain a statement that in the absence of specific instructions by the shareholder, whether the proxy may vote as he/she thinks fit.

Article 62 of  
the Mandatory  
Provisions

In addition to the above provisions, the aforesaid proxy form shall also contain the following: the number of shares represented by the proxy and the name of the proxy; whether the proxy has any voting right; whether the proxy has the right to vote on extempore proposals that may be added to the agenda of the meeting; the specific instructions as to how the proxy shall cast his/her vote if he or she has such right to vote; the date of issue and term of validity. If more than one proxy is appointed, the proxy form shall specify the number of shares represented by each of the proxies respectively.

Article 61 of  
the Guidelines  
for Articles of  
Association

Any proxy attending a general meeting on behalf of a shareholder shall produce his/her identity documents and the proxy form signed by the principal or the principal's legal representative. The proxy form shall specify the date of issue. Where corporate shareholder appoints its legal representative to attend the meeting, the legal representative shall produce his/her identity documents or a notarially certified copy of the resolution signed by the board of directors or other authorized bodies of the corporate shareholders or other notarially certified documents permitted by the Company, save for permitted clearing houses or their agent(s).

Article 60 of  
the Guidelines  
for Articles of  
Association

**Article 82** Where the principal has deceased, incapacitated to act, withdrawn the signed appointment or withdrawn the power of attorney under which it is signed prior to the voting, or the relevant shares have been transferred prior to the voting, a vote given in accordance with the terms of proxy form shall remain valid as long as the Company did not receive a written notice of the event before commencement of the relevant meeting.

Article 63 of  
the Mandatory  
Provisions

**Article 83** Where the directors, supervisors, general manager, other senior management and such other personnel of the Company are required to attend the general meeting pursuant to the provisions of the laws, administrative regulations, departmental rules, normative documents, the listing rules of the place where the shares of the Company are listed or these Articles of Association, they shall attend such meeting. Except for those related to trade secrets of the Company that shall not be disclosed, the directors, supervisors, general manager and other senior management attend or present at the meeting shall answer or provide explanation to the inquiries of shareholders at the general meeting.

Article 150 of  
the Company  
Law

**Article 84** If a general meeting is convened by the board of directors, the meeting shall be chaired and presided over by the chairman of the board of directors. Where the chairman of the board of directors is unable to attend the meeting or fails to discharge his/her duties due to any reason, the meeting shall be chaired and presided over by the vice chairman of the board of directors. Where the position of vice chairman of the board of directors does not exist, or where the vice chairman of the board of directors is unable to attend the meeting or fails to discharge his/her duties due to any reason, the board of directors may designate one of the directors of the Company as its representative to convene and chair the meeting, or more than one half of the directors shall recommend a director to preside over the meeting. In the event that no chairman is designated, the attending shareholders shall elect one (1) person to chair the meeting; if for any reason, the shareholders fail to elect a chairman of the meeting, the shareholder (including his/her proxy) holding the largest number of voting shares among the attending shareholders shall chair the meeting.

If a general meeting is convened by the supervisory committee itself, the chairman of the supervisory committee shall preside over the meeting. If the chairman of the supervisory committee is unable to or fails to discharge his/her duties, the meeting shall be presided over by one (1) of the supervisors recommended by more than one half of the supervisors.

If a general meeting is convened by the shareholders themselves, the convener shall recommend a representative to preside over the meeting.

At a general meeting, if the chairman of the meeting contravenes the rules of procedures for the general meeting, making the meeting impossible to proceed, with consent from the attending shareholders holding more than one half of voting shares, the shareholders may recommend one (1) person to chair the general meeting and continue with the meeting. If for any reason the shareholders are unable to elect a chairman of the meeting, the attending shareholder holding the largest number of voting shares (including his/her proxy) shall chair the meeting.

**Article 85** The Company shall formulate the rules of procedures for the general meetings and specify in detail the procedures for convening and voting at the general meeting, as well as the principle for the authorization granted to the board of directors by the general meeting, and the authorization shall be clear and specific. The rules of procedures for the general meetings shall be appended to these Articles of Association. They shall be formulated by the board of directors and approved by the general meeting.

**Article 86** The convener shall ensure the general meeting can be conducted continuously until final resolutions are made. If the general meeting is suspended or resolutions cannot be made due to force majeure or other special circumstances, the convener shall take necessary measures to resume the meeting or directly terminate the meeting immediately followed by a timely public announcement and report in accordance with the laws, administrative regulations, departmental rules, normative documents or the listing rules of the place where the shares of the Company are listed.

## Section 6 Voting and Resolutions at General Meetings

**Article 87** Resolutions of general meetings shall take the form of ordinary resolutions or special resolutions.

Article 103 of the Company Law, Article 64 of the Mandatory Provisions

An ordinary resolution at a general meeting shall be passed by more than one half (1/2) of the voting rights held by shareholders (including their proxies) attending the general meeting.

A special resolution at a general meeting shall be passed by more than two-thirds (2/3) of the voting rights held by shareholders (including their proxies) attending the general meeting.

**Article 88** The following matters shall be passed by way of an ordinary resolution at a general meeting:

Article 70 of the Mandatory Provisions, Article 66 of the current Articles of Association of the Company

- (I) The work reports of the board of directors and the supervisory committee;
- (II) The profit distribution plan and loss recovery plan formulated by the board of directors;
- (III) The appointment and removal of members of the board of directors and supervisory committee (not being employee representatives), and their remuneration and payment method thereof;
- (IV) The annual financial budgets, reports of final accounts, balance sheets, income statements and other financial statements of the Company;
- (V) The annual reports of the Company;
- (VI) The decision for the appointment or replacement of the accounting firms which provide audit services to the Company;
- (VII) The matters other than those requiring the approval by way of special resolutions in accordance with provisions of the laws, administrative regulations, departmental rules, normative documents, the listing rules of the place where the shares of the Company are listed or these Articles of Association.

**Article 89** The following matters shall be passed by way of a special resolution at a general meeting:

Article 71 of the Mandatory Provisions, Article 77 of the Guidelines for Articles of Association

- (I) The increase or reduction of the registered capital and the issuance of any kinds of shares, share warrants and other similar securities by the Company;
- (II) The issuance of corporate bonds and the listing proposal of the Company;
- (III) The division, merger, dissolution and liquidation or alteration of corporate form of the Company;
- (IV) The matters related to any purchase or disposals of major assets by the Company within one year or any guarantees provided of the amount exceeding 30% of the Company's audited total assets for the latest period;

(V) The amendments to these Articles of Association;

(VI) Any other matters as specified in the laws, administrative regulations, departmental rules, normative documents, the listing rules of the place where the shares of the Company are listed or these Articles of Association, which, considered by the shareholders at a general meeting and resolved by way of an ordinary resolution, may have a material impact on the Company and shall be adopted by way of a special resolution.

**Article 90** A shareholder (including his/her proxy) shall be entitled to one vote for every share with voting right held when voting. However, shares held by the Company shall not carry any voting rights and shall not be counted into the total shares with voting rights represented by shareholders attending the general meeting.

Clause 1 of Article 103 of the Company Law, Article 65 of the Mandatory Provisions

Pursuant to applicable laws, administrative regulations, departmental rules, normative documents and listing rules of the place where the shares of the Company are listed, where any shareholder shall abstain from voting for any particular resolution, or is restricted to vote only for or against such resolution, any vote in violation of such requirement or restriction by the shareholders (or their proxies) shall not be counted in the voting results.

Rule 14 of Appendix 3 to the Hong Kong Listing Rules

**Article 91** When a connected transaction is considered at a general meeting, connected shareholders shall not vote, and the voting shares they represent shall not be counted in the total number of valid voting shares; any resolution made at the general meeting shall adequately disclose information related to voting by non-connected shareholders. Where applicable laws, administrative regulations, departmental rules, normative documents or the listing rules of the place where the shares of the Company are listed have any other provisions in this regard, such provisions shall prevail.

Article 79 of the Guidelines for Articles of Association

**Article 92** Any vote of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

Rule 13.39(4) to the Hong Kong Listing Rules

**Article 93** A poll demanded on the election of the chairman of the meeting, or the adjournment of the meeting, shall be taken forthwith. A poll demanded on any other matters shall be taken as the chairman of the meeting directs, and the meeting may proceed with the discussion of other matters; the result of the ballot shall still be regarded as a resolution passed at the meeting.

Article 67 of the Mandatory Provisions

**Article 94** Shareholders who attend the general meeting shall take one of the following stances when a resolution is put forward for voting: for, against or abstain.

Article 89 of the Guidelines for Articles of Association

Any unfilled, improperly filled or poorly handwritten votes or votes that are not cast shall be considered as abstentions from voting by the shareholders. Its respective shares shall be counted as “abstentions” in the voting results.

**Article 95** On a poll taken at a meeting, a shareholder (including his/her proxy) entitled to two or more votes is not required to cast all his/her votes for or against any resolution on all his/her votes or abstain from voting on such resolution.

Article 68 of the Mandatory Provisions

**Article 96** In the event of an equality of the number of votes for and against a resolution, the chairman of the meeting shall be entitled to cast one additional vote.

Article 69 of the Mandatory Provisions

**Article 97** The chairman of the meeting shall decide whether the resolutions of the meeting have been passed according to the poll results and his/her decision shall be conclusive, announced at the meeting and be recorded in the minutes.

Article 74 of the Mandatory Provisions

**Article 98** If the chairman of the meeting has any doubt on the poll results of the proposed resolutions, he/she may arrange for vote counting. If the chairman of the meeting does not arrange for vote counting and the shareholders or their proxies attending the meeting object to the results announced by the chairman, they shall have the right to demand vote counting immediately after announcement of the poll results, and the chairman of the meeting shall arrange for vote counting immediately.

Article 75 and Article 76 of the Mandatory Provisions, Article 90 of the Guidelines for Articles of Association

If vote counting is held at a general meeting, the result of the counting shall be recorded in the minutes of the meeting. Minutes of meetings together with the signature book of the shareholders attending the meeting and proxy forms shall be kept at the domicile of the Company.

**Article 99** Shareholders may access the photocopies of minutes of meetings for free during the office hours of the Company. If any shareholder asks the Company for the photocopies of relevant meeting minutes, the Company shall send the photocopies within seven (7) days after receipt of reasonable fees.

Article 77 of the Mandatory Provisions

## Section 7 Special Procedures for Voting by Class Shareholders

**Article 100** Shareholders holding different classes of shares shall be shareholders of different classes.

Article 78 and Article 85 of the Mandatory Provisions, Rule 10 of Appendix 3 and Rule (f) of Part D of Appendix 13 to the Hong Kong Listing Rules

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

Apart from the holders of other classes of shares, holders of domestic shares and holders of overseas listed foreign shares shall be considered as different classes of shareholders. Where the share capital of the Company includes shares which do not carry voting rights, the words “no voting rights” must appear in the designation of such shares.

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

**Article 101** The Company shall not proceed to change or abrogate the shareholders’ rights of a class of shares unless such change or abrogation has been approved by way of a special resolution at the general meeting and at a separate class meeting by the shareholders of the affected class in accordance with Articles 102 to Article 106 of these Articles of Association. The quorum required for convening such class meeting (other than an adjourned meeting) must be at least one-third (1/3) of the holders of the issued shares of that class.

Article 79 of the Mandatory Provisions, Rule 6(2) of Appendix 3 to the Hong Kong Listing Rules

No approval by a general meeting or a class meeting is required for variation or abrogation of rights resulting from any change in domestic or foreign laws, administrative regulations and the listing rules of the place where the shares of the Company are listed, or those resulting from decisions made by domestic or foreign regulatory authorities.

The holders of domestic shares of the Company may transfer all or part of their shares to overseas investors for listing and trading overseas, or convert all or part of the domestic shares (or other unlisted shares) into overseas listed foreign shares for listing and trading on overseas stock exchanges, which shall not be deemed to be a proposed variation or abrogation of the rights conferred on any class of shareholders and no approval by a general meeting or a class meeting is required.

**Article 102** The rights of shareholders of a certain class shall be deemed to have been changed or abrogated in the following conditions:

Article 80 of  
the Mandatory  
Provisions

- (I) The increase or decrease in the number of shares of such class or the increase or decrease in the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;
- (II) The conversion of all or part of the shares of such class into shares of another class or the conversion of all or part of the shares of another class into shares of such class or the grant of the rights to such conversion;
- (III) The removal or reduction of rights to accrued dividends or cumulative dividends attached to the shares of such class;
- (IV) The reduction or removal of a dividend preference or property distribution preference during the liquidation of the Company, attached to the shares of such class;
- (V) The addition, removal or reduction of share conversion rights, options, voting rights, transfer rights, preemptive rights or rights to acquire the securities of the Company attached to the shares of such class;
- (VI) The removal or reduction of rights to receive amounts payable by the Company in a particular currency attached to the shares of such class;
- (VII) The creation of a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of that class;
- (VIII) The imposition of restrictions or additional restrictions on the transfer of or ownership of the shares of such class;
- (IX) The issuance of rights to subscribe for, or convert into, the shares of such class or another class;
- (X) The increase in the rights and privileges of the shares of another class;
- (XI) A restructuring proposal of the Company that causes shareholders of different classes to bear liability to different extents during the restructuring;
- (XII) Any amendment to or repeal of the provisions of this section.

**Article 103** Shareholders of the affected class, whether or not having the right to vote at the general meeting, shall have the rights to vote at class meetings in respect of matters referred to in items (II) to (VIII) and (XI) to (XII) of Article 101, except that interested shareholders do not have rights to vote at class meetings.

Article 81 of  
the Mandatory  
Provisions

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

- (I) If the Company has made a repurchase offer to all shareholders in the same proportion or has repurchased its own shares through open market transactions on a stock exchange in accordance with Article 28 of these Articles of Association, the controlling shareholders as defined in Chapter 18 of these Articles of Association shall be the “interested shareholders”;
- (II) If the Company has repurchased its own shares by an off-market agreement outside of a stock exchange in accordance with Article 28 of these Articles of Association, holders of shares in relation to such agreement shall be the “interested shareholders”;
- (III) Under a restructuring proposal of the Company, shareholders who will bear liability in a proportion smaller than that of the liability borne by other shareholders of the same class, or shareholders who have an interest different from the interest of other shareholders of the same class shall be the “interested shareholders”.

**Article 104** Resolutions of a class meeting may be passed only by shareholders attending the class meeting who represent more than two-thirds (2/3) of the voting rights in accordance with Article 102.

Article 82 of  
the Mandatory  
Provisions

**Article 105** When the Company is to hold a class meeting, the period of issuing a written notice shall be the same as the period of issuing a written notice of a non-class meeting to be convened together with such class meeting, and the provisions of Article 72 of these Articles of Association shall apply.

Article 83 of  
the Mandatory  
Provisions,  
the Reply on  
Adjusting the  
Notice Period

Where the listing rules of the place where the shares of the Company are listed have any specific provisions in this regard, such provisions shall prevail.

**Article 106** The notice of the class meeting shall be delivered only to the shareholders entitled to voting thereat.

Article 84 of  
the Mandatory  
Provisions

The procedures of a class meeting shall, to the extent possible, be identical with the procedures of a general meeting. The provisions of these Articles of Association in relation to the procedures for the holding of a general meeting shall be applicable to a class meeting.

**Article 107** The special procedures for voting in the class meetings shall not apply under the following circumstances:

- (I) Where the Company issues domestic shares and overseas listed foreign shares, upon approval by way of a special resolution by its shareholders at a general meeting, either separately or concurrently, once every twelve (12) months and the respective number of domestic shares and overseas listed foreign shares to be issued is not more than twenty per cent (20%) of the same class of shares in issue;
- (II) Where the Company's plan to issue domestic shares and overseas listed foreign shares upon its establishment is implemented within fifteen (15) months from the date of approval by the China Securities Regulatory Commission;
- (III) Where the holders of domestic shares of the Company transfer their shares to overseas investors for listing and trading on overseas stock exchanges, or convert all or part of the domestic shares into overseas listed shares for listing and trading on overseas stock exchanges upon the approval from securities regulatory authorities.

Article 85 of the Mandatory Provisions, Article 3 of the Letter of Opinions on Supplementary Amendments

Rule (f)(i)(ii) of Section I of Part D of Appendix 13 to the Hong Kong Listing Rules

## CHAPTER 5 COMMITTEES UNDER THE PARTY

**Article 108** The Company shall establish the Committee of Beijing Capital Jiaye Property Services Co., Limited under the Communist Party of China (hereinafter referred to as the "Company's Committee under the Party") and the Discipline Inspection Committee of Beijing Capital Jiaye Property Services Co., Limited under the Communist Party of China (hereinafter referred to as the "Company's Discipline Committee"). The names of the Company's Committee under the Party and the Company's Discipline Committee are subject to the reply given by the superior Party committee. A secretary to the Company's Committee under the Party shall be appointed and one full-time deputy secretary shall be assigned when necessary.

**Article 109** The number of positions of secretary, deputy secretary and committee members of the Company's Committee under the Party and the Company's Discipline Committee shall be established in accordance with the reply given by the superior Party committee, and members for all positions shall be selected by election. During the adjournment of the Party member congress or the Party representative congress, the superior Party committee may appoint the secretary and deputy secretary to the Company's Committee under the Party and the secretary to the Company's Discipline Committee when necessary.

**Article 110** The Company's Committee under the Party is an organic composition of the corporate governance structure of the Company, insisting on the implementation and optimization of the leadership system of "Two-way Entry, Cross-Appointment". Eligible members of the Company's Committee under the Party may be considered and appointed as members of the board of directors, the supervisory committee and the management through legal procedures. Eligible members of the board of directors, the supervisory committee and the management who are members of the Party may be considered and appointed as members of the Company's Committee under the Party in accordance with relevant requirements and procedures.



**Article 111** The Company's Committee under the Party shall establish a working organization of the Party; the Company's Discipline Committee shall establish a discipline inspection organization and meanwhile, establish mass organizations, such as a labour union and youth league committee. The Company insists on simultaneous planning of Party construction during its reforms and development, simultaneous establishment of Party organizations and working organs, simultaneous allocation of personnel in charge of the Party organization and staff for Party affairs as well as simultaneous proceeding of Party work.

**Article 112** The Company's Committee under the Party shall uphold political leadership, ideological leadership and organizational leadership, and perform its duties in accordance with the Constitution of the Communist Party of China and other internal regulations of the Party:

- (I) To ensure and supervise the thorough implementation of the guidelines and policies of the Party and the State as well as the decisions and deployment made by the superior Party committee throughout the Company.
- (II) To adhere to the principle of the Party exercising leadership over officials, the selection of operating managers by the board of directors, and the exercise of power as regards the right of officials' appointment by the operating managers in accordance with laws. The Company's Committee under the Party shall recommend nominees to the board of directors or the general manager, or deliberate and give opinions on the candidates nominated by the board of directors or the general manager. The Company's Committee under the Party, together with the board of directors, shall observe the proposed candidates and discuss collectively to provide opinions and suggestions thereon. To discharge duties of talents management of the Party and implement the strategy of prospering the enterprise by relying on talents.
- (III) To study and discuss stable reform and development, substantial operational and management issues of the Company as well as material issues related to the vital interests of our employees, and provide advice and recommendations in this regard.
- (IV) To undertake the main responsibility of exercising strict self-governance of the Party in every respect, lead the Company's ideological and political work, united front work, spiritual civilization construction as well as corporate culture construction, and lead mass organizations such as the labour union and the Communist Youth League. Play a leading role in the construction of the Party conduct and of a clean and honest administration, and support the Company's Discipline Committee in fulfilling its responsibility of supervision in practice.

## CHAPTER 6 BOARD OF DIRECTORS

### Section 1 Directors

**Article 113** Directors shall be elected or change by the general meeting with a term of office for three (3) years. Directors may serve consecutive terms if re-elected, unless otherwise provided in relevant laws and regulations and these Articles of Association,

Article 45 of the Company Law, Article 87 of the Mandatory Provisions

The term of office of a Director shall commence from the date when such Director takes office, until the expiry of the term of the Board of Directors.

Article 4 of the Letter of Opinions on Supplementary Amendments, Section 4(3) of Appendix 3 to the Hong Kong Listing Rules

Written notices of the intention to nominate a candidate for election as a Director and the acceptance of nomination by such candidate, shall be given to the Company no less than seven (7) days prior to the date of convening the general meeting.

A general meeting may remove a director before expiry of his/her term of office by an ordinary resolution subject to compliance with relevant regulations. Removal of Director shall not prejudice such Director's right to claim for compensation under any contract.

**Article 114** A director shall continue to perform his duties in accordance with relevant regulations and these Articles of Association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office or if the resignation of a director results in the number of directors being less than the quorum.

Article 45 and Article 108(3) of the Company Law, Article 100 of the Guidelines for Articles of Association

A director may resign before the expiration of his/her term of office. If a Director resigns, such Director shall tender in writing a letter of resignation to the Board, and the Board shall disclose relevant information in a timely manner and when necessary. Except that the members of the Board fall below the minimum statutory requirements due to the resignation of a Director set out in this Article, the resignation of a Director shall take effect at the time when the letter of resignation has been served on the Board, unless a later effective date of resignation is prescribed in the letter of resignation. If the resignation of an independent non-executive director results in the number of independent non-executive director of the Board of the Company being less than the quorum, the resignation of this independent non-executive director shall be effective only after the succeeding independent non-executive director has filled his vacancy.

Any director appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office only until the next annual general meeting of the Company and shall be eligible for re-election at the meeting. Without violation of relevant laws and regulations and the regulatory rules of the place where the shares of the Company are listed, any director appointed by the Board to fill a casual vacancy to the Board shall accept shareholders' election at the first general meeting after acceptance of the appointment.

Section 4(2) of Appendix 3 and A.4.2 of Appendix 14 of the Hong Kong Listing Rules,

**Article 115** When a Director resigns or his/her term of office expires, the Director shall complete all handover procedures with the Board. The fiduciary duty of such Director towards the Company and the shareholders shall remain for a reasonable period after the termination of the term of office. The length of such period shall be decided upon in accordance with the principle of fairness, taking into account the time elapsed between the termination and the occurrence of the matter as well as the circumstances and conditions under which the relationship with the Company terminates. Their confidentiality obligation in relation to the Company's trade secrets shall remain for a period of two (2) years from the expiry of their terms of office.

Article 101 of the Guidelines for Articles of Association

**Article 116** A Director shall comply with laws, administrative regulations, departmental rules, normative documents, listing rules of the place where the Company shares are listed and these Articles of Association, and shall owe fiduciary duties towards the Company in the following aspects:

- (I) not to use his/her powers and positions to receive bribes or other illegal income or embezzle properties of the Company;
- (II) not to misappropriate assets or funds of the Company;
- (III) not to deposit assets or funds of the Company in accounts in his/her own name or other person's name;
- (IV) not to lend funds of the Company to any persons or provide guarantee to other persons with assets of the Company without the approval of a general meeting or the Board, in violation of the provisions of these Articles of Association;
- (V) not to enter into any contracts or transactions with the Company in violation of the provisions of these Articles of Association or without the approval of a general meeting;
- (VI) not to use his/her powers and position to obtain for himself/herself or others any business opportunities which should have been the business opportunities of the Company or to be engaged or engage others to engage for himself/herself or others in the same type of business which the Company is engaged in without the approval of a general meeting;
- (VII) not to encroach the commission generated as a result of any transaction with the Company;
- (VIII) not to disclose any secrets of the Company without any authorization;
- (IX) not to prejudice the interests of the Company by using his/her related relationship; not to disclose any material information that have not been disclosed; not to gain illegal profit with inside information; the directors shall undertake non-competition obligations after termination of their employment under the agreement with the Company;
- (X) to safeguard the interest of the Company and the shareholders as a whole and not to pursue interest for de facto controller, shareholders, employees or themselves or other third party in a manner that cause any damage to the interest of the Company nor prejudice the interests of the Company by using his/her related relationship;
- (XI) to comply with other duties of loyalty under the laws, administrative regulations, departmental rules, normative documents, the listing rules of the places where the shares of the Company are listed and these Articles of Association.

Any income obtained by a Director in violation of the above provisions shall be attributable to the Company; if the Company suffers any losses, such Director shall be liable to compensate.

**Article 117** A Director shall comply with laws, administrative regulations, departmental rules, normative documents, the listing rules of the place where the Company shares are listed and these Articles of Association, and shall owe duties of diligence towards the Company in the following aspects:

- (I) to exercise the rights conferred on him/her by the Company in a prudent, careful and diligent manner to ensure that the business conduct of the Company is in compliance with the requirements of the state laws, administrative regulations and various economic policies and the business activities of the Company are not beyond the business scope as stipulated in the business licence, actively promote complaint operation of the Company and rectify and report irregularities of the Company in a manner;
- (II) to give equal treatment to all shareholders;
- (III) to understand the operation and management of the business of the Company in a timely manner; to report relevant issues and risks to the Board in a timely manner and not to claim waiver from their duties with reasons of unfamiliarity with businesses of the Company or relevant matters;
- (IV) to confirm any regular reports of the Company by signing on such reports; to ensure that the information disclosed by the Company is true, accurate and complete;
- (V) to provide relevant true information and materials to the Supervisory Committee and not to interfere with duties and powers exercised by the Supervisory Committee or any Supervisor;
- (VI) other duties of diligence as provided for by laws, administrative regulations, departmental rules, normative documents, the listing rules of the place where the Company shares are listed and the provisions of these Articles of Association.

**Article 118** The Directors shall, both collectively and individually, fulfill fiduciary duties and duties of skill, care and diligence to a standard at least commensurate with the standard established by the laws of Hong Kong, which means every Director must, in the performance of his/her duties as a Director:

- (I) act honestly in good faith in the interests of the Company as a whole;
- (II) act for proper purpose;
- (III) be accountable to the listed issuer for the application or misapplication of its assets;
- (IV) avoid actual and potential conflicts of interest and duty;
- (V) disclose fully and fairly his/her interests in contracts with the listed issuer; and
- (VI) apply such degree of skill, care and diligence as may reasonably be expected of a person of his/her knowledge and experience and holding his/her office as a Director of the listed issuer.

**Article 119** If a Director fails to attend any two (2) consecutive Board meetings in person or by appointing other Directors to attend such meetings on his/her behalf, such Director shall be deemed incapable of performing his/her duties, and the Board of Directors shall make recommendation to a general meeting for replacement.

Article 99 of the Guidelines for Articles of Association

**Article 120** Without any legal authorization by these Articles of Association or the Board of Directors, no Director shall use his/her personal capacity to act on behalf of the Company or the Board. If any third parties reasonably believe that a Director acts on behalf of the Company or the Board while such Director acts in his/her own name, such Director shall make a prior statement as to his/her position and capacity.

Article 102 of the Guidelines for Articles of Association

**Article 121** If the Company suffers any losses due to the exercise of the duties by a Director in violation of laws, administrative regulations, departmental rules and the provisions of these Articles of Association, such Director shall be liable to compensate.

Article 103 of the Guidelines for Articles of Association

## **Section 2 Independent Non-Executive Directors**

**Article 122** Independent non-executive Directors refer to the Directors who do not hold any other positions in the Company (other than as a Director of the Company), and are not related to the Company and its shareholders in a way that may hinder their independent and objective judgment, and comply with the independent requirements under the listing rules of the place where the Company shares are listed.

Rules 3.10(1) (2), 3.10A and 19A.18(1) of the Hong Kong Listing Rules

The Board of the Company shall include Independent non-executive Directors. There shall be no less than three (3) Independent non-executive Directors and they shall constitute no less than one-third (1/3) of the Board. At least one (1) Independent non-executive Director shall possess appropriate professional qualifications or have appropriate accounting or related financial management expertise and one (1) Independent non-executive Director shall reside in Hong Kong.

**Article 123** If at any time the number of the Independent non-executive Directors of the Company does not satisfy the number, qualifications or independence requirements under the Hong Kong Listing Rules, the Company shall notify the Hong Kong Stock Exchange promptly, and shall state in the form of announcement the particulars and reasons. The Company shall also appoint a sufficient number of Independent non-executive Directors to meet the requirements of the Hong Kong Listing Rules within three (3) months after its failure to comply with relevant requirements.

Rule 3.11 of the Hong Kong Listing Rules

**Article 124** The Independent non-executive Director shall have the following powers in addition to those powers conferred upon him/her by the Company Law and other relevant laws, administrative regulations, departmental rules, normative documents, listing rules of the place where the Company shares are listed and these Articles of Association:

- (I) to propose the convening of extraordinary general meetings. If the Board refuses to do so, he/she may propose to the Supervisor Committee to convene extraordinary general meetings;
- (II) to propose to convene Board meetings;
- (III) to engage auditing firms or consultancy firms necessary for performing duties;
- (IV) to offer independent opinions on matters related to the remuneration plans, incentive scheme and so forth for the Company's Directors and senior management members;
- (V) to offer his/her independent opinions on the material connected transactions (as determined according to the criteria issued by the regulatory authorities in the place(s) of listing from time to time);
- (VI) publicly solicit proxies from shareholders before general meetings.

The Company shall ensure that Independent non-executive Directors will enjoy the same right to information as other Directors.

### **Section 3 Board**

**Article 125** The Company shall have a Board which shall be accountable to the general meeting. The Board consists of 6-15 Directors, and the number of independent non-executive Directors shall be no less than three (3) and shall account for no less than one-third (1/3) of the total number of members of the Board.

A director may be the general manager or other senior management officer concurrently, provided that the number of directors who serve as general manager or other senior management officers concurrently and director representatives of the employees shall not exceed one half (1/2) of the number of directors of the Company.

A director is not required to hold the shares of the Company.

An independent non-executive director shall have a term of office of three (3) years and may be re-elected for a maximum period of not more than nine (9) years (if more than nine (9) years, such independent non-executive director's re-election shall be approved by the shareholders by means of separate resolution), unless the term of office of the independent non-executive director is otherwise stipulated by the relevant laws and regulations and listing rules of the stock exchange where the shares of the Company is listed.

Articles 86 and 87 of the Mandatory Provisions, Articles 1 and 6 of the Opinions, A.4.3, Rules 3.10 and 3.10A of the Hong Kong Listing Rules, Article 96 of the Guidelines for Articles of Association

**Article 126** The Board shall be accountable to the general meeting and shall exercise the following powers and duties:

- (I) to convene a general meeting and report its work to such meeting;
- (II) to implement resolutions of a general meeting;
- (III) to decide on the operation plans and investment schemes of the Company and formulate development strategies of the Company;
- (IV) to prepare the draft annual budget and final accounts of the Company;
- (V) to prepare the profit distribution plan and the loss recovery plan of the Company;
- (VI) to prepare the plan for the Company to increase or reduce its registered capital, issuance of bonds and other securities and other listing plans;
- (VII) to prepare plans of the Company with respect to mergers, divisions, dissolution or changes of the form of the Company;
- (VIII) to prepare plans of the Company with respect to material acquisitions and acquisition of the Company's shares;
- (IX) to decide on the establishment of internal organizations;
- (X) to appoint or remove the general manager and secretary to the Board of the Company; to appoint or remove the deputy general manager, chief accountant, general counsel, marketing director and other senior management members nominated by the general manager, and decide on remunerations and rewards and punishments thereof;
- (XI) to determine the composition of special committees under the Board, and the chairman (convener) of each special committee;
- (XII) to establish a basic management system of the Company;
- (XIII) to prepare plans to amend the Articles of Association;
- (XIV) to propose to the general meeting with respect to the engagement or replacement of the audit firm of the Company;
- (XV) to receive the work report of the general manager of the Company and examine such work;
- (XVI) to manage the disclosure of information by the Company in accordance with laws and regulations, listing rules of the places where the shares of the Company are listed and the Company's internal rules and regulations;
- (XVII) to determine the investment, acquisition or disposal of assets, financing, connected transactions and other matters that need to be decided on by the Board in accordance with the provisions of laws, regulations and listing rules of the places where the shares of the Company are listed;

(XVIII) to determine other material matters of the Company, except for the matters to be resolved at the general meeting in accordance with the Company Law and these Articles of Association;

(XIX) to exercise any other duties and powers specified in relevant laws, administrative regulations, departmental rules, normative documents, listing rules of the places where the Company is listed or the Articles of Association.

Except for the Board resolutions in respect of the matters specified in clauses (VI), (VII) and (XIII) above which shall be passed by not less than two-thirds (2/3) of the Directors, the Board resolutions in respect of all other matters may be passed by the affirmative vote of a simple majority of the Directors.

For the above matters of duties and powers exercised by the Board which is beyond the scope of authorization of the general meeting or any transaction or arrangement of the Company which shall be considered and approved by a general meeting according to listing rules of the places where the shares of the Company are listed, shall be submitted to the general meeting for consideration and approval.

D.3.1 and D.3.2  
of Appendix  
14 to the Hong  
Kong Listing  
Rules

The Board shall also be responsible for the following matters:

- (I) to develop, review and improve the system and status of corporate governance of the Company;
- (II) to review and supervise training and continuous professional development of directors and senior management;
- (III) to review and supervise the systems established by the Company in accordance with the laws and relevant rules by the securities regulatory authorities of the places where the shares of the Company are listed and the relevant compliance as well as the relevant disclosure;
- (IV) to develop, review and monitor the code of conduct and compliance manual applicable to employees and directors of the Company.

These functions for the purpose of corporate governance shall be performed by the Board, while the Board may also delegate its duties to one or more special committees under the Board.

**Article 127** In cases where the expected value of fixed assets proposed for disposal by the Board, when aggregated with value of fixed assets disposed within four (4) months before the proposed disposal, exceeds thirty-three per cent (33%) of the fixed assets value set out in the latest balance sheet approved by the general meetings, the Board shall not dispose of or consent to dispose of such fixed assets without prior approval by the general meeting.

Article 89 of  
the Mandatory  
Provisions

The term “fixed assets disposal” referred to in this Article includes transferring certain interests in assets, but excludes provision of guarantees with fixed assets.

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



**Article 128** The Board shall formulate the rules of procedures for the Board of Directors to ensure the implementation of the resolutions of the general meeting, improve the efficiency of work and ensure scientific decision-making. The rules of procedures for the Board of Directors shall be appended to these Articles of Association. It shall be formulated by the Board and approved by the general meeting.

Article 109 of the Guidelines for Articles of Association

**Article 129** The Board shall have one (1) chairman or any vice chairman who shall be elected and removed by more than one half of all the Directors. The chairman and vice chairman shall serve a term of three (3) years and may be re-elected upon the expiry of their terms.

Articles 86 and Article 87 of the Mandatory Provisions

**Article 130** The chairman shall exercise the following functions and powers:

Article 90 of the Mandatory Provisions

- (I) to preside over general meetings and to convene and preside over Board meetings;
- (II) to procure and check the implementation of resolution of the Board;
- (III) to sign on securities issued by the Company;
- (IV) other functions and powers authorized by the Board;
- (V) other functions and powers stipulated in the laws, administrative regulations, departmental rules, normative documents, listing rules of the places where the shares of the Company are listed and these Articles of Association.

**Article 131** The vice chairman of the Company shall assist the chairman. When the chairman is unable to or does not carry out his/her duties, they shall be carried out by the vice chairman (if the Company has two or more vice chairmen, then these duties shall be carried out by the vice chairmen nominated by more than half of the Directors). If the vice chairman is unable to or does not carry out his/her duties, they shall be carried out by one (1) Director nominated by more than half of the Directors.

Article 113 of the Guidelines for Articles of Association

**Article 132** The Board meetings include regular Board meetings and extraordinary Board meetings.

A.1.1, A.1.3 and A.7.1 of Appendix 14 to the Hong Kong Listing Rules, Article 91 of the Mandatory Provisions, Article 115 of the Guidelines for Articles of Association, Article 110 of the Company Law

Regular Board meetings shall be held at least four (4) times a year at approximately quarterly intervals. The Board meeting shall be convened by the Chairman of the Board by giving a notice to all Directors and Supervisors fourteen (14) days before the meeting is held.

The chairman shall, convene and preside over the extraordinary Board meeting within ten (10) days upon receipt of the proposal in any of the following circumstances:

- (I) proposal of shareholders holding one-tenth (1/10) or more of the voting rights;
- (II) proposal of one-third (1/3) or more of the Directors;
- (III) proposal of two (2) or more of the Independent non-executive Directors;
- (IV) proposal of the Party Committee;
- (V) proposal of the Supervisory Committee;
- (VI) proposal of the General Manager.

The extraordinary Board meeting shall be convened by giving a notice in writing to all Directors within a reasonable period before the meeting is held. The body that is responsible shall issue the written notice of meeting to all directors, supervisors and general manager via fax, by post, by hand, via email or through other modes. All notices sent other than by hand shall be confirmed by telephone and the corresponding records shall be kept. Where an extraordinary Board meeting shall be convened as soon as possible in emergency, a shorter notice for the meeting may be allowed or the notice of meeting may be sent by telephone or by other verbal means at any time with consent of all directors, but the convener shall make explanations and minutes thereof at the meeting.

**Article 133** The notice of the meeting shall be deemed to have been served to a director if he is present at the meeting and does not raise any objection regarding the non-receipt of such notice prior to or at the time of his arrival at the meeting.

A regular or extraordinary Board meeting can be held by way of telephone conference or held through other telecommunication devices. As long as such devices enable clear communication among all directors, all directors participating shall be deemed as present in the meeting.

**Article 134** The Board may accept the Board meetings in the form of written resolutions in lieu of meetings on site. However, draft proposals of the meeting must be delivered to each director by hand, post, telegraph, fax or email. After the Board has delivered the proposals to all directors and that the number of directors giving consent and signature to the proposals has reached the quorum, such proposals, if delivered to the secretary of the Board by means of methods referred to above, shall become a Board resolution. Such written resolution shall be deemed to have the same legal effect as a resolution passed at a Board meeting held in accordance with the procedures set out in the relevant provisions of the Articles of Association.

Regular Board meetings shall not be convened in the manner provided in the first paragraph of this Article.

**Article 135** A notice of Board meeting shall include the following contents:

- (I) the date, venue and duration of the meeting;
- (II) the method of holding the meeting;
- (III) the subject matters and topics of the meeting;
- (IV) the date of dispatch of the notice.

**Article 136** The Board meeting shall not be held unless more than one half of the Directors are present.

Unless otherwise requires in the Articles of Association, other matters can be approved by voting by more than half of the Directors as resolutions of the Board. As for the voting on a Board resolution, each Director shall have one vote only.

**Article 137** When a Director is related to companies which are the subject of a resolution to be decided at a Board meeting, the related Director shall not vote on that resolution, and shall not vote on behalf of other Directors. Such Board meeting can be held if more than one half of the non-related Directors attend. Resolutions made by the Board meeting shall be passed by more than one half of the non-related Directors, provided that for matters which are required to be approved by voting by two-thirds or more of the Directors solutions shall be approved by voting by two-third or more of the non-related Directors. If less than three (3) non-related Directors attend the Board meeting, the matter shall be submitted to the general meeting for consideration.

Article 119 of  
the Guidelines  
for Articles of  
Association

**Article 138** The Board meeting shall vote by way of a show of hands, disclosed ballot or other means of voting approved by the regulatory authority. Any resolution made by video-conference, teleconference, facsimile or other communication equipment in the Board meeting shall be signed by the voting Directors.

Article 120 of  
the Guidelines  
for Articles of  
Association

**Article 139** The Directors shall attend a Board meeting in person. If a Director is unable to attend for any reasons, he/she may appoint another Director in writing to attend on his/her behalf. An independent non-executive director must not appoint a director other than an independent non-executive director to attend the meeting. The authorized Director shall present authorization letters and exercise the voting right to the extent of the authorization given. The authorization letter shall contain the name of the representative, the matters represented, scope of authorization and validity period. It shall be signed or sealed by the principal. If a Director does not attend a Board meeting in person and does not appoint a representative to attend the meeting, he/she shall be deemed to have waived the voting rights in the meeting.

Article 94 of  
the Mandatory  
Provisions,  
Article 121 of  
the Guidelines  
for Articles of  
Association

**Article 140** All directors shall be notified of all material matters to be resolved at the Board meeting at the time required by the Articles of Association and be provided with sufficient information strictly in accordance with the procedures as stipulated. Directors may request supplementary information. When at least one-fourth (1/4) of directors or at least two (2) independent non-executive directors consider the information provided is incomplete, the argument is not sufficient or where an informed judgment cannot be made due to other reasons, they may jointly propose to postpone the Board meeting or to postpone the discussion of certain matters. The Board shall accept such proposal.

Article 3 of the  
Opinions

**Article 141** The Board of Directors shall keep minutes of its resolutions on the matters discussed at the meeting. The Directors who attended the meeting and the person who drafted the minutes shall sign on the minutes of that meeting.

Article 95 of  
the Mandatory  
Provisions

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

**Article 142** The minutes of the Board meeting shall include:

- (I) the date, venue and convener of the meeting;
- (II) the names of the Directors attending the meeting and the names of the Directors (proxies) appointed by other Directors to attend the meeting;
- (III) the agenda of the meeting;
- (IV) the main points of the speeches of the Directors, including any concern raised or dissenting view expressed by Directors;
- (V) the methods and results of the voting for each resolution (the voting results shall state the number of votes voting for, against or in abstention).

The minutes of the board meetings shall be kept as archives of the Company for at least ten (10) years.

#### **Section 4 Special Committees of the Board**

**Article 143** The Board of Directors consists of five special committees, namely the Audit Committee, Nomination Committee, Remuneration and Evaluation Committee, Strategy and Investment Committee and Risk and Compliance Management Committee. The duties, composition and the rules of procedures for such committees shall be decided by the Board separately. The Board of Directors may establish other special committees as necessary.

The special committees under the Board are special working bodies established by the Board to provide suggestions or advice for major decisions of the Board. The special committees shall not make any decision on behalf of the Board of Directors, but they may exercise decision-making power on authorised matters according to the authorisation of the Board.

#### **CHAPTER 7 SECRETARY OF THE BOARD**

**Article 144** The Company shall have one (1) secretary of the board of directors. Secretary of the Board shall be a senior management officer of the Company.

**Article 145** The secretary of the board of directors shall be a natural person with the necessary professional knowledge and experience, and shall be appointed or dismissed by the Board. The main duties of the secretary of the Board are:

- (I) to guarantee that the Company has complete organizational documents and records; to keep and manage shareholders' information; to assist the directors in addressing the routine tasks of the Board;
- (II) to organize and arrange for the Board meetings and general meetings, to prepare meeting materials, to handle relevant meeting affairs, to be responsible for keeping minutes of the meetings and to ensure their accuracy, to keep meeting documents and minutes and to take initiative to keep abreast of the implementation of relevant resolutions. Any important issues occurring during the implementation shall be reported to the Board with suggestions proposed;

- (III) as the contact person between the Company and the securities regulatory authorities, to be responsible for preparation and timely submission of the documents as required to the regulatory authorities, and to accept any task from the regulatory authorities and organize the implementation thereof;
- (IV) to be responsible for coordinating and organizing information disclosure of the Company, to establish and improve the information disclosure system, to participate in all meetings of the Company involving information disclosure, and to keep informed of the material operational decisions and relevant information of the Company in a timely manner;
- (V) to ensure the proper establishment of the register of members of the Company, and to ensure timely access to the relevant records and documents by the individuals who are entitled to access such information;
- (VI) to perform other duties and powers as conferred by the Board, as well as other duties and powers as required by laws and regulations and the stock exchange of the place which the Company's shares are listed.

**Article 146** The directors or other senior management of the Company may also serve as the secretary to the Board of the Company. Accountants in the accounting firms engaged by the Company shall not concurrently serve as the secretary to the Board of the Company.

Article 98 of  
the Mandatory  
Provisions

In the event that a director concurrently serves as the secretary to the Board of the Company, and if an act concerned shall be conducted by the director and the secretary to the Board of the Company separately, such person concurrently serving as a director and the secretary to the Board of the Company shall not conduct such act in double roles.

## CHAPTER 8 SECRETARY OF THE COMPANY

**Article 147** The Company shall appoint a company secretary to ensure good communication between and among the members of the Board and to ensure such Board members to follow the policies and procedures of the Board. The company secretary shall report duty to the chairman of the Board and/or the general manager, advise the Board on corporate governance matters through the chairman of the Board and/or the general manager, and shall also arrange for on-job training and professional development of directors.

F.1.3 of  
Appendix 14 to  
the Hong Kong  
Listing Rules

**Article 148** The selection, appointment and dismissal of a company secretary shall be subject to approval by the Board of the Company. Decisions in this regard shall be made by convening physical Board meeting but not by way of written resolutions. The company secretary shall be an individual who, by virtue of his academic or professional qualifications or relevant experience is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of company secretary. The Company may select its company secretary from and among the employees of the Company who should have day-to-day knowledge of the Company's business. It may also engage an external service provider as its company secretary, in which case it should designate a senior management to act as a contact point with such external service provider.

Rule 3.28 of  
the Hong Kong  
Listing Rules,  
F.1.1 and F1.2  
of Appendix  
14 to the Hong  
Kong Listing  
Rules

**Article 149** The company secretary shall undergo no less than 15 hours of professional training in each financial year.

Rule 3.29 of the Hong Kong Listing Rules

**Article 150** All directors should have access to the advice and services of the company secretary to ensure that Board procedures and all applicable law, rules and regulations are observed.

F.1.4 of Appendix 14 to the Hong Kong Listing Rules

## CHAPTER 9 GENERAL MANAGER AND OTHER SENIOR MANAGEMENT

**Article 151** The Company shall have one (1) general manager and several deputy general managers in light of requirements in its operation, one (1) secretary to the Board of Directors, one (1) chief accountant, one (1) general counsel and one (1) marketing director. A director may serve as general manager or other senior management officers concurrently. The general manager and other senior management shall be hired and dismissed by the Board.

Article 99 of the Mandatory Provisions, Article 114 of the current Articles of Association

General manager, deputy general manager, secretary to the Board of Directors, chief accountant, general counsel and marketing director of the Company shall be members of senior management.

Deputy general manager, chief accountant, general counsel and marketing director shall be nominated by the general manager and appointed or dismissed by the Board of Directors. Deputy general manager, chief accountant, general counsel and marketing director may resign before the expiration of their respective term of service.

**Article 152** A person who holds an office other than that of the Director or Supervisor in the controlling shareholder or beneficial controller of the Company shall not act as a senior management of the Company.

**Article 153** The general manager shall be appointed for tenure of three years and they may be re-appointed.

**Article 154** The provisions of these Articles of Association concerning the obligations of loyalty and diligence of directors and conditions under which the undertaking of directorship is prohibited shall equally apply to the senior management.

Article 125 of the Guidelines for Articles of Association, Article 115 of the current Articles of Association

**Article 155** The general manager shall report to the Board of Directors and have the following duties and powers:

Article 100 and Article 101 of the Mandatory Provisions

- (I) to be in charge of the Company's operation and management, to organise and implement the resolutions of the Board and to report his work to the Board;
- (II) to organise and implement the Company's annual operation plan and investment plans;
- (III) to prepare the plan for the setup of internal management of the Company;
- (IV) to establish the basic management system of the Company;
- (V) to formulate the Company's specific rules;

- (VI) to propose to the Board to appoint or dismiss the deputy manager, chief accountant, general counsel and marketing director;
- (VII) To propose to the Board to appoint or dismiss the officers other than those whose appointment or termination shall be decided by the Board;
- (VIII) Other powers granted by these Articles of Association or the Board.

The general manager of the Company may attend the Board meeting. The general manager who is not a director has no right to vote at the board meetings.

**Article 156** The general manager shall, in exercising his functions and powers, perform the duties of good faith and diligence in accordance with the provisions of laws, administrative regulations, departmental rules, listing rules of the place where the Company’s shares are listed and these Articles of Association.

Article 102 of the Mandatory Provisions

**Article 157** If any senior management violates laws, administrative regulations, departmental rules, listing rules of the place where the Company shares are listed or these Articles of Association in fulfilling their duties, thereby causing any loss to the Company, they shall be liable for compensation for the loss.

Article 134 of the Guidelines for Articles of Association

## CHAPTER 10 SUPERVISORY COMMITTEE

### Section 1 Supervisors

**Article 158** The provisions of the Articles of Association concerning conditions under which the undertaking of directorship is prohibited shall equally apply to the supervisors. Directors, general manager and other senior management shall not concurrently serve as supervisors.

Article 117 of the Company, Article 106 of the Mandatory Provisions, Article 135 of the Guidelines for Articles of Association, Article 136 of the Guidelines for Articles of Association

**Article 159** The Supervisors shall comply with the laws, administrative regulations, departmental rules, normative documents, listing rules of the places where the shares of the Company are listed and these Articles of Association, and perform their duty of loyalty and duty of diligence to the Company. They shall not abuse their positions to accept bribes or other illegal income and not to misappropriate any properties of the Company. The duty of loyalty and duty of diligence of the Directors as contained in these Articles of Association shall also be applicable to the Supervisors.

**Article 160** The Supervisors shall serve for a term of three (3) years. The term of a Supervisor is renewable and subject to re-election upon the expiration of his/her term of office.

Article 137 of the Guidelines for Articles of Association

A Supervisor may resign prior to the expiry of his/her term of office. The provisions in respect of the resignation of the Directors in these Articles of Association shall be applicable to the Supervisors.

**Article 161** If no re-election is timely conducted upon expiry of the term of office of a Supervisor, or if the number of Supervisors is less than the quorum due to the resignation of a Supervisor during his/her term of office, the original Supervisor shall continue to perform his/her duties as a Supervisor in accordance with the requirements of laws, administrative regulations and these Articles of Association until a newly elected Supervisor takes office.

Article 138 of the Guidelines for Articles of Association

**Article 162** The Supervisors shall discharge supervisory duties in good faith in accordance with the laws, administrative regulations and these Articles of Association.

Article 111 of the Mandatory Provisions

The Supervisors may attend Board meetings as non-voting participants, and put forward queries or suggestions regarding resolutions at Board meetings.

The Supervisors shall not exploit their related relationship with the Company to prejudice the interests of the Company. If supervisors violate laws, administrative regulations, departmental rules, listing rules of the place where the Company's shares are listed or these Articles of Association in fulfilling their duties, thereby causing any loss to the Company, they shall be liable for compensation for the loss.

Article 142 of the Guidelines for Articles of Association

## Section 2 Supervisory Committee

**Article 163** The Company shall have a Supervisory Committee. The Supervisory Committee shall be comprised of three (3) Supervisors. The proportion of Employee Representative Supervisors shall not be less than one third (1/3). Shareholder Representative Supervisors shall be elected and dismissed by the general meetings. Employee Representative Supervisors shall be elected by employee representative meetings, employee meetings or other forms of democratic elections.

Article 103, Article 104 and Article 105 of the Mandatory Provisions, Article 5 of the Letter of Opinions on Supplementary Amendments, d(i) of Section 1, Part D, Appendix 13 to the Hong Kong Listing Rules

The Supervisory Committee shall have one (1) chairman, which shall be appointed or dismissed by the votes of two thirds (2/3) (two thirds inclusive) or more of the members of the Supervisory Committee.

**Article 164** The Supervisory Committee shall report to the general meetings. The Supervisory Committee shall exercise the following duties and powers:

Article 53 of the Company Law, Article 108 of the Mandatory Provisions

- (I) to review the financial position of the Company;
- (II) to supervise the performance of Directors and senior management members of their duties to the Company, and propose dismissal of Directors and senior management members that have violated the laws, administrative regulations, these Articles of Association or the resolutions of the general meetings;
- (III) to demand rectification by Directors and senior management members when the acts of such persons are prejudicial to the Company's interest and, if necessary, report to the general meeting or relevant national competent authorities;
- (IV) to propose the convening of an extraordinary general meeting, and to convene and preside over the general meeting when the Board fails to perform such duties as specified by the Company Law;
- (V) to propose the convening of an extraordinary Board meeting;
- (VI) to put forward proposals to general meetings;
- (VII) to initiate litigations against Directors and senior management members in accordance with provisions of the Company Law;



- (VIII) to review financial information such as financial reports, business reports, and profit distribution plans as proposed by the Board to the general meetings, and to engage certified public accountants and practicing auditors in the name of the Company to assist with further examination if there are any queries;
- (IX) other duties and powers conferred by the laws, administrative regulations, departmental rules, normative documents, listing rules of the place where the Company is listed and these Articles of Association.

**Article 165** Meeting of the Supervisory Committee shall be held at least once every six (6) months, and shall be convened and presided over by the chairman/chairwoman of the Supervisory Committee. If the chairman/chairwoman of the Supervisory Committee is unable or fails to perform and exercise his/her functions and powers, a meeting of the Supervisory Committee shall be convened and presided over by a Supervisor jointly nominated by more than half of the Supervisors.

Article 107 of  
the Mandatory  
Provisions,  
Article 117(3)  
of the Company  
Law, Article  
145 of the  
Guidelines  
for Articles of  
Association

Any Supervisor may propose an extraordinary meeting of the Supervisory Committee to be held.

When the Supervisory Committee calls a regular meeting or extraordinary meeting, it shall deliver a written meeting notice to all of the supervisors by hand, fax, email or other means within a reasonable period prior to the date of such meeting. If service is made indirectly, confirmation shall additionally be made by telephone and the appropriate record thereof shall be made.

Notices of regular meetings of the Supervisory Committee shall be served to all Supervisors ten (10) days before the meetings are convened. Notices of the extraordinary meetings of the Supervisory Committee shall be served to all Supervisors five (5) days before the meetings are convened. The aforesaid notice period for the meetings of the Supervisory Committee may be exempted if written consent is given by all Supervisors.

The notice for the meetings of the Supervisory Committee shall include the following:

- (I) the date, venue and duration of the meeting;
- (II) the method of holding the meeting;
- (III) reasons and proposals of the meeting;
- (IV) the date of dispatch of the notice.

Where a extraordinary meeting of the Supervisory Committee needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means, but the convener shall make explanations at the meeting.

**Article 166** The meeting of the Supervisory Committee shall vote by way of disclosed ballot, written resolution or other means of voting approved by the regulatory authority. Any resolution made by video-conference, teleconference, facsimile or other communication equipment in the meeting of the Supervisory Committee shall be signed by the voting Supervisors.

Article 109 of the Mandatory Provisions, Article 6 of the Letter of Opinions on Supplementary Amendments, Article 145 of the Guidelines for Articles of Association

Voting procedures: A meeting of the Supervisory Committee shall be attended by more than one half of the Supervisors. Each Supervisor has one vote. Voting shall be conducted by disclosed ballot. Supervisors shall attend meetings of the Supervisory Committee in person. In the event a Supervisor is unable to attend the meeting for any reason, he/she may authorize another Supervisor in writing to attend the meeting on his/her behalf. Such power of attorney shall specify the scope of authorization. A supervisor may cast an affirmative, an opposing or an abstention vote. Each attending supervisor shall indicate his intention by choosing one of the above. The chairman of the meeting shall request any supervisor who fails to choose any of the above or has chosen two or more of the above to vote again, and such supervisor shall be regarded as having abstained from voting if he refuses to vote again. Any supervisor who leaves the meeting and does not return and has not voted by choosing any of the above shall be regarded as having abstained from voting.

The resolutions of the Supervisory Committee shall be passed by over two-third (2/3) (inclusive) of the members of the Supervisory Committee by voting.

d(ii) of Section 1, Part D, Appendix 13 to the Hong Kong Listing Rules

**Article 167** Where the Supervisory Committee discovered unusual operation of the Company, it shall conduct investigations. It shall engage professionals such as lawyers and certified public accountants for assistance if necessary, and the reasonable expenses incurred in engaging professionals such as lawyers, certified public accountants and practicing auditors shall be borne by the Company.

Article 54 of the Company Law, Article 110 of the Mandatory Provisions

**Article 168** The Supervisory Committee shall formulate rules of procedures for the meetings of the Supervisory Committee, specifying the method for discussion and voting procedures of meetings, in order to ensure the efficient work and scientific decision making of the Supervisory Committee. The rules of procedures for the meetings of the Supervisory Committee shall be attached as an annex to the Articles of Association, formulated by the Supervisory Committee and approved at the general meeting of the Company.

Article 146 of the Guidelines for Articles of Association

**Article 169** The Supervisory Committee shall record all decisions on matters discussed in the minutes, which shall be signed by the supervisors present at the meeting and the person who drafted the minutes. The supervisors shall be entitled to make particular illustrative statements regarding their opinions expressed at the meeting recorded in the minutes. The minutes of the Supervisory Committee shall be kept as archives of the Company for at least ten (10) years.

Article 147 of the Guidelines for Articles of Association

## CHAPTER 11 PROMOTION OF LEGAL COMPLIANCE

**Article 170** The Company adopts a general counsel system to further exert the function of the general counsel of the Company in legal review and supervision of operation and management, thereby facilitating the legal operation and compliance management of the Company.

**Article 171** The general counsel is a senior management member of the Company who is appointed by the Board with qualifications of legal professional or an enterprise legal adviser. He/she is the specific leader of the Company's rule of law efforts and shall be responsible for legal affairs of the Company by coordinating and handling the decision-making, operation, and management of the Company. The general counsel reports directly to the general manager and chairman of the board of directors and is accountable to the Board.

**Article 172** Significant matters to be discussed and considered at a decision-making meeting of the Company that requires legal review and verification must be submitted to the general counsel for legal review in advance. If the general counsel considers that such matters involve material risks, submission to the decision-making meeting shall be deferred. The general counsel shall attend the meetings of the party committee and the Board and participate in the general manager's work meetings to provide independent legal opinions on the legal issues related to the matters under consideration.

## CHAPTER 12 QUALIFICATIONS AND DUTIES OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

**Article 173** Apart from the qualifications specified in other provisions of these Articles of Association, a person may not serve as a Director, supervisor or any other senior management member of the Company if any of the following circumstances apply:

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

- (VI) a person who is under criminal investigation or prosecution by a judicial organization for violation of the criminal law where said investigation or prosecution is not yet concluded;
- (VII) a person who is not eligible for enterprise leadership under the law and administrative regulations;
- (VIII) non-natural person;
- (IX) a person convicted of the contravention of provisions of relevant securities regulations by a relevant competent authority, and such conviction involves a finding that he/she has acted fraudulently or dishonestly, where less than five (5) years has elapsed since the date of the conviction;
- (X) other circumstances prescribed by the law, administrative regulations, departmental regulations, normative documents or rules of security regulators in the territory where the Company's shares are listed.

Where the Company elects, appoints or employs its Directors, Supervisors, General Managers or other senior management members in violation of the provisions of the preceding paragraph, such election, appointment or employment shall be invalid. Where, during his/her term of office, a Director, Supervisor, General Manager or other senior management member is found to be a person as specified in the preceding paragraph of this Article, the Company shall remove him/her from office.

**Article 174** The validity of an act carried out by a Director, General Manager and other senior management members of the Company on its behalf shall, as against a bona fide third party, not be affected by any non-compliance in his/her office, election or any defect in his/her qualification.

Article 113 of  
the Mandatory  
Provisions

**Article 175** In addition to the obligations imposed by laws, administrative regulations or the listing rules of the stock exchange on which shares of the Company are listed, each of the Company's Directors, Supervisors, General Manager and other senior management members owes the following duties to each shareholder when exercising the functions and powers of the Company entrusted to him/her:

Article 114 of  
the Mandatory  
Provisions

- (I) not to cause the Company to exceed the scope of business stipulated in its business license;
- (II) to act honestly and in the best interests of the Company;
- (III) not to expropriate the Company's property in any way, including, but not limited to, usurpation of opportunities which benefit the Company;
- (IV) not to expropriate individual rights of shareholders, including, but not limited to, rights to distribution and voting rights, except for the restructuring of the Company, which has been submitted to the shareholders for approval in accordance with these Articles of Association.

**Article 176** Directors, Supervisors, General Managers and other senior management members of the Company, in the exercise of his/her powers and in the discharge of his/her duties, shall be liable to exercise the care, diligence and skill that a reasonably prudent person would exercise in similar circumstances.

**Article 177** The Directors, Supervisors, General Managers and other senior management members of the Company shall perform his/her duties in accordance with the fiduciary principle; and shall not put himself/herself in a position where his/her interest and his/her duty may conflict. This principle includes, but is not limited to, discharging the following obligations:

- (I) to act honestly in the best interests of the Company;
- (II) to act within the scope of his/her powers and shall not exceed such powers;
- (III) to exercise the discretion conferred on him/her in person and shall not allow himself/herself to act under the control of others, unless and to the extent permitted by laws, administrative regulations or with the informed consent of shareholders given in a general meeting, not to delegate the exercise of his/her discretion to others;
- (IV) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (V) unless otherwise provided for in these Articles of Association or except with the informed consent of the shareholders given in a general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (VI) not to use the Company's property in any way for his/her own benefit, without the informed consent of the shareholders given in a general meeting;
- (VII) not to exploit his/her position to accept bribes or other illegal income or expropriate the Company's property in any way, including, but not limited to, opportunities which are favorable to the Company;
- (VIII) not to accept commissions in connection with the Company's transactions, without the informed consent of the shareholders given in a general meeting;
- (IX) to comply with these Articles of Association, to perform his/her duties in a faithful manner, to protect the Company's interests and not to exploit his/her position and power in the Company to advance his/her own interests;
- (X) not to compete with the Company in any way, except with the informed consent of the shareholders given in a general meeting;
- (XI) not to misappropriate the Company's funds or lend such funds to any other person, not to use the Company's assets to set up deposit accounts in his/her own name or in the name of any other person or to use such assets to provide guarantee for the debts of a shareholder of the Company or any other personal liabilities;

(XII) not to disclose any confidential information, which he/she has obtained during his/her term of office, without the informed consent of the shareholders in a general meeting; nor shall he/she use such information other than for the Company's benefit, save that disclosure of such information to the court or other competent governmental authorities is permitted if:

- (1) disclosure is required by law;
- (2) required in the public interests;
- (3) the interests of such Director, Supervisor, General Manager or other senior management member so require.

**Article 178** The Directors, Supervisors, General Managers and other senior management members of the Company shall not direct the following persons or institutions (hereinafter referred to as the "associate(s)") to act in a manner, which he/she is prohibited from acting:

Article 117 of  
the Mandatory  
Provisions

- (I) the spouse or minor child of the Directors, Supervisors, General Managers or other senior management members of the Company;
- (II) the trustee of the Directors, Supervisors, General Managers or other senior management members of the Company or of any person referred to in item (I) of this Article;
- (III) the partner of the Directors, Supervisors, General Managers or other senior management members or any person referred to in items (I) and (II) of this Article;
- (IV) a company in which the Directors, Supervisors, General Managers or other senior management members of the Company, whether alone or jointly with the persons referred to in items (I), (II) and (III) of this Article or other Directors, Supervisors, General Managers and other senior management members, has de facto controlling interest;
- (V) the Directors, Supervisors, General Manager and other senior management members of a company, which is being controlled in the manner referred to in item (IV) of this Article.

**Article 179** The fiduciary duties of the Directors, Supervisors, General Manager and other senior management members of the Company do not necessarily cease with the termination of their tenure. Their duties of confidentiality in respect of trade secrets of the Company survive the termination of their tenure. Other duties may continue for such period as the principle of fairness may require depending on the amount of time which has elapsed between the termination, the act concerned, the circumstances and the terms under which the relationship between such Directors, Supervisors, General Managers and the senior management members and the Company was terminated.

Article 118 of  
the Mandatory  
Provisions

**Article 180** Other than the situation provided under Article 57 of these Articles of Association, the Directors, Supervisors, General Managers and other senior management members of the Company may be released from liabilities for specific breaches of his/her duty with the informed consent of the shareholders given at a general meeting.

Article 119 of  
the Mandatory  
Provisions

**Article 181** Where the Directors, Supervisors, General Managers or other senior management members of the Company is in any way, directly or indirectly, materially interested in a contract, transaction, arrangement or proposed contract, transaction or arrangement with the Company (other than the service contracts between the Company and the Directors, Supervisors, General Managers and other senior management members), he/she shall declare the nature and extent of his/her interests to the Board of Directors at the earliest opportunity, whether or not the matter is normally subject to the approval of the Board of Directors.

Article 120 of the Mandatory Provisions, 4(1) of Appendix 3 to the Hong Kong Listing Rules

Saved for exceptions permitted under the Hong Kong Listing Rules and applicable regulations, a Director shall not vote on any Board resolution approving any contract, transaction, arrangement or any relevant proposal in which he/she or any of his/her close associate (as defined in the applicable Hong Kong Listing Rules effective from time to time) has a material interest nor shall he/she be counted in the quorum present at the meeting when determining whether there is a quorum or not.

Unless the interested Directors, Supervisors, General Managers and other senior management members of the Company discloses his/her interests in accordance with the preceding paragraph of this Article and the contract, transaction or arrangement is approved by the Board of Directors at a meeting in which the interested Directors, Supervisors, General Managers or other senior management members of the Company are not counted as part of the quorum and refrains from voting, such contract, transaction or arrangement is voidable at the discretion of the Company except as against a bona fide party thereto who does not have notice of the breach of duty by such Directors, Supervisors, General Managers or other senior management members.

The Directors, Supervisors, General Managers or other senior management members of the Company are deemed to be interested in a contract, transaction or arrangement in which the associate of such Directors, Supervisors, General Managers and other senior management members is interested.

**Article 182** Where the Directors, Supervisors, General Managers or other senior management members of the Company give to the Board a notice in writing stating that, by reason of the facts specified in the notice, he/she is interested in contracts, transactions or arrangements which may subsequently be made by the Company, that notice shall be deemed for the purposes of the preceding Article to be a sufficient disclosure of his/her interests, so far as the content stated in such notice is concerned, provided that such notice shall have been given before the date on which the execution of the relevant contract, transaction or arrangement is first taken into consideration by the Company.

Article 121 of the Mandatory Provisions

**Article 183** The Company shall not pay taxes for its Directors, Supervisors, General Managers or other senior management members in any manner.

Article 122 of the Mandatory Provisions

**Article 184** The Company shall neither directly or indirectly make a loan to or provide any security for the Directors, Supervisors, General Managers or other senior management members of the Company or its parent company, nor make a loan or provide any security for any of their respective associates.

Article 123 of  
the Mandatory  
Provisions

The foregoing provision is not applicable in the following circumstances:

- (I) the provision by the Company of a loan to or a security for its subsidiary;
- (II) the provision by the Company of a loan or a security or any other funds available to its Directors, Supervisors, General Managers and other senior management members to meet expenditure incurred or to be incurred by him/her for the purpose of the Company or for the purpose of enabling him/her to perform his/her duties properly, in accordance with the terms of a service contract approved by the shareholders in a general meeting;
- (III) if the ordinary business scope of the Company includes the lending of money and provision of security, the Company may make a loan to or provide a security for the relevant Directors, Supervisors, General Managers and other senior management members or their respective associates on normal commercial terms.

**Article 185** Any person who receives funds from a loan, which has been made by the Company acting in breach of the preceding Article shall, irrespective of the terms of the loan, repay such funds forthwith.

Article 124 of  
the Mandatory  
Provisions

**Article 186** A security for the repayment of a loan, which has been provided by the Company acting in breach of Article 184(I) shall not be enforceable against the Company, save in respect of the following circumstances:

Article 125 of  
the Mandatory  
Provisions

- (I) the security was provided in connection with a loan, which was made to an associate of the Directors, Supervisors, General Managers and other senior management members of the Company or its parent company and the lender of such funds is not informed;
- (II) the collateral, which has been provided by the Company has already been legally disposed of by the lender to a bona fide purchaser.

**Article 187** For the purposes of the foregoing provisions of this Chapter, a “security” includes an undertaking or property provided by the guarantor to secure the obligor’s performance of his/her obligations.

Article 126 of  
the Mandatory  
Provisions



**Article 188** In addition to rights and remedies provided by the laws and administrative regulations, where the Directors, Supervisors, General Managers and other senior management members of the Company breach the duties which he/she is liable to the Company for, the Company has the right to adopt the following measures:

- (I) to demand such Directors, Supervisors, General Managers or other senior management members to compensate for losses sustained by the Company as a result of such breach;
- (II) to rescind any contract or transaction, which has been entered into between the Company and such Directors, Supervisors, General Managers or other senior management members, or between the Company and a third party (where such third party knows or should have known that such Directors, Supervisors, General Managers or other senior management members on behalf the Company have breached his/her duties liable to the Company);
- (III) to demand such Directors, Supervisors, General Managers or other senior management members to turn in profits gained as a result of the breach of his/her duties;
- (IV) to recover any monies, which should have been received by the Company but were received by such Directors, Supervisors, General managers or other senior management members instead, including (but without limitation to) commissions;
- (V) to demand repayment of interest earned or which may have been earned by such Directors, Supervisors, General Managers or other senior management members on monies that should have been paid to the Company.

**Article 189** With prior approval given at a general meeting or Board meeting, the Company shall enter into written contracts with the Directors, Supervisors and other senior management members. Such written contracts shall contain at least the following provisions:

- (I) an undertaking by the director, supervisor and senior management to the Company to comply with the Company Law, the Special Regulations, these Articles of Association, the Code on Takeovers and Mergers, the Code on Share Repurchases and other regulations of the Hong Kong Stock Exchange and an agreement that the Company shall have the remedies provided in these Articles of Association and that neither the contract nor his office is capable of assignment;
- (II) an undertaking by the director, supervisor and senior management to the Company (for and on behalf of each shareholder) to comply with and perform his/her obligations to shareholders as stipulated in these Articles of Association;
- (III) arbitration clause as provided in Article 239 of these Articles of Association;
- (IV) matters in relation to emoluments to Directors, Supervisors and senior management members.

Such emoluments include:

- (I) emoluments in respect of his/her service as Directors, Supervisors or senior management members of the Company;
- (II) emoluments in respect of his/her service as Directors, Supervisors or senior management members of subsidiaries of the Company;
- (III) emoluments in respect of the provision of other services in connection with the management of the Company and its subsidiaries;
- (IV) payment by way of compensation for loss of office, or as consideration for or in connection with his/her retirement from office.

Except under a contract entered into in accordance with the foregoing, no proceedings may be brought by a director or supervisor against the Company for any benefits in respect of the aforesaid matter.

The Company shall, on a regular basis, disclose to shareholders the emoluments obtained by the directors, supervisors and senior management members from the Company.

**Article 190** The contract concerning the emoluments between the Company and its directors or supervisors should provide that in the event of a takeover of the Company, the Company's directors and supervisors shall, subject to the prior approval at the general meeting, have the right to receive compensation or other payment in respect of his/her loss of office or retirement. A takeover of the Company referred to in the preceding paragraph means any of the followings:

Article 129 of  
the Mandatory  
Provisions

- (I) a take-over offer made by any person to all the shareholders;
- (II) a take-over offer made by any person with the purpose of the offeror becoming a "controlling shareholder" as defined in Chapter 18 of these Articles of Association.

If the relevant director or supervisor does not comply with this Article, any sum so received by him shall belong to those persons who have sold their shares as a result of the acceptance of said offer. The expense incurred in distributing that sum amongst those persons shall be borne by the relevant director or supervisor on a pro rata basis and may not paid out of that sum.

# CHAPTER 13 FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT OF THE COMPANY

## Section 1 Financial and Accounting System

**Article 191** The Company shall formulate its financial and accounting systems in accordance with the laws, administrative regulations and requirements of relevant PRC authorities.

Article 130 of  
the Mandatory  
Provisions

**Article 192** The financial year of the Company shall coincide with the calendar year, i.e. from January 1 to December 31 on the Gregorian calendar.

Article 131 of  
the Mandatory  
Provisions

At the end of each financial year, the Company shall prepare a financial report which shall be audited by an accounting firm in compliance with the laws. The financial reports shall be prepared in accordance with the laws, regulations and requirements of the relevant PRC authorities.

Article 164 of  
the Company  
Law

**Article 193** The Board of the Company shall present before the shareholders at every annual general meeting such financial reports to be prepared by the Company as required by the relevant laws, administrative regulations or normative documents promulgated by local governments or competent authorities and the listing rules of the place where the Company shares are listed.

Article 132 of  
the Mandatory  
Provisions

**Article 194** The financial reports of the Company shall be made available for shareholders' inspection at the Company twenty (20) days before the date of every annual general meeting. Each shareholder of the Company shall be entitled to a copy of the financial reports referred to in this chapter.

Article 133 of  
the Mandatory  
Provisions

The Company shall deliver or send such report or directors' report, together with the balance sheet and income statement or the statement of income and expenditure or a summary of such financial report to every shareholder by post at the registered addresses of such shareholders no less than twenty-one (21) days before the date of the annual general meeting. The Company may proceed by way of announcements, including announcements via the Company's website, provided that such announcements are in compliance with the laws, administrative regulations, departmental rules and relevant requirements of the securities regulatory authority of the place which the Company's shares are listed.

Article 7 of  
the Letter of  
Opinions on  
Supplementary  
Amendments  
Article 5  
Appendix 3 to  
the Hong Kong  
Listing Rules

**Article 195** The financial statements of the Company shall be prepared in accordance with not only the PRC accounting standards and regulations, but also the international accounting standards or the accounting standards of the overseas place where the Company's shares are listed. If the financial statements prepared under the two accounting standards are discrepant significantly, such discrepancy shall be indicated in the notes to the financial statements. For purposes of the Company's distribution of after-tax profits of a given financial year, the lesser of the amounts of after-tax profits shown in the aforementioned two kinds of financial statements shall prevail.

Article 134 of  
the Mandatory  
Provisions

**Article 196** The interim results or financial information published or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations as well as the international accounting standards or the accounting standards of the overseas place where the Company's shares are listed.

Article 135 of  
the Mandatory  
Provisions

**Article 197** The Company shall publish two (2) financial reports each financial year, i.e. the interim financial report published within sixty (60) days after the end of the first six (6) months of the financial year and the annual financial report published within one hundred and twenty (120) days after the end of the financial year.

Article 136 of  
the Mandatory  
Provisions

Rule 13.49(1)  
(6) of the Hong  
Kong Listing  
Rules

The Company shall publish two results announcements each financial year, i.e. the interim results announcement published within two (2) months after the end of the first six (6) months of the financial year and the annual results announcement published within three (3) months after the end of the financial year.

Other regulations of the listing rules at the place where the shares of the Company are listed shall prevail.

**Article 198** The Company shall not establish account books other than the statutory account books. The assets of the Company shall not be deposited in any personal account.

Article 137 of  
the Mandatory  
Provisions

**Article 199** The profit distribution proposal of the Company for each year shall be reviewed and approved at the general meeting. The Company shall distribute its after-tax profit for the current year in the order of:

Article 166 of  
the Company  
Law

- (I) recovering losses;
- (II) setting aside ten per cent (10%) after-tax profit of the current year as a statutory common reserve fund;
- (III) setting aside a discretionary common reserve fund according to resolutions of the general meeting;
- (IV) distributing dividends to shareholders.

Article 152 of  
the Guidelines  
for Articles of  
Association

In the event that the accumulated statutory common reserve fund of the Company has reached at least fifty percent (50%) of the registered capital of the Company, no further allocations are required. The general meeting shall determine whether to allocate the discretionary reserve and the relevant proportion after allocating the statutory reserve and the risk reserve.

If the statutory reserve fund of the Company is insufficient to make up for the losses of the preceding year, the profits of the current year shall first be used to make up the said losses before allocations are set aside for the statutory reserve fund.

If the general meeting has, in violation of the provisions of the preceding paragraphs, distributed profits to the shareholders before the Company has made up for its losses and made allocations to the statutory reserve fund, the shareholders must return the profits distributed in violation of the provision to the Company. After losses have been covered and the statutory reserve and risk reserve have been allocated in accordance with these Articles of Association, any remaining after-tax profits shall be distributed to the shareholders in proportion to their shareholdings, unless otherwise stipulated in the Company's Articles of Association.

No profits shall be distributed in respect of the shares held by the Company.

**Article 200** Reserves of the Company are used for offsetting losses of the Company, expanding the Company's production and operation or increasing the capital of the Company. However, capital reserve shall not be used to offset losses of the Company. If the statutory reserve is converted into capital, the balance of the statutory reserve shall not fall below 25% of the Company's registered capital before the increase of the capital.

Article 168 of  
the Company  
Law

Article 153 of  
the Guidelines  
for Articles of  
Association

Capital reserve fund includes the following items:

Article 138 of  
the Mandatory  
Provisions

- (I) premium received when shares are issued at a premium to their par value;
- (II) other income required to be included in the capital reserve fund by the competent finance department of the State Council.

**Article 201** The Company may distribute dividends in either cash or shares. Any distribution of dividends in shares shall be approved by a resolution at the general meeting and shall be submitted to relevant competent authorities such as securities regulatory authorities for approval in accordance with relevant laws and regulations.

Article 139 of  
the Mandatory  
Provisions

Cash dividends and other distributions declared by the Company to the holders of domestic shares shall be paid in Renminbi. Cash dividends and other distributions declared by the Company to the holders of foreign capital shares shall be declared and denominated in Renminbi, and paid in foreign currencies. Foreign currencies for the payment of cash dividends and other distributions payable by the Company to the holders of foreign capital shares shall be obtained pursuant to the relevant regulations on the administration of foreign exchange of the State.

Article 27 of  
the Special  
Provisions

Unless otherwise provided by the relevant laws and regulations, where cash dividends and other distributions are paid in foreign currencies, the exchange rate shall be based on the average middle exchange rate of foreign currencies against Renminbi announced by the People's Bank of China one calendar week preceding the date where such dividends or other distributions are declared.

**Article 202** Any amount paid up in advance of calls on any shares may bear interest but shall not entitle the holder of the shares to participate in respect thereof in a dividend subsequently declared.

Section 3(1)  
(2) of Appendix  
3 to the Hong  
Kong Listing  
Rules

Subject to relevant laws and regulations of the PRC and requirements by the Hong Kong Stock Exchange, the Company may exercise power to confiscate the dividends which nobody has claimed only after a specified period for the declaration of such dividends.

Rule 19A.47  
of the Hong  
Kong Listing  
Rules, Sections  
13 and 3(2) of  
Appendix 3 to  
the Hong Kong  
Listing Rules

The Company has the right to terminate the dispatch of dividend warrants to the holders of overseas-listed foreign shares by mail, provided that such right shall not be exercised until the dividend warrants have not been cashed for two consecutive occasions. However, where the dividend warrant is, for the first time, undelivered to the addressee and returned, the Company may also exercise such right.

The Company has the right to sell, in such manner as the Board thinks fit, any shares of an overseas listed foreign shareholder who is untraceable, subject to the following conditions:

- (I) the Company has distributed dividends for at least 3 times to such shares within twelve (12) years, but none of such dividends was claimed;
- (II) the Company, after the expiration of the twelve (12)-year period, made public announcement on one or more of the newspapers at the jurisdiction where the shares of the Company are listed, stating its intention to sell such shares, and notified the securities regulatory authorities of the place where the shares of the Company are listed.

**Article 203** The Company shall appoint receiving agent(s) in Hong Kong for holders of the Overseas Listed Foreign Shares. Such receiving agent(s) shall receive and retain dividends which have been declared by the Company and all other amounts which the Company should pay to holders of Overseas Listed Foreign Shares on such shareholders' behalf, awaiting payment to the relevant shareholder.

Article 140 of the Mandatory Provisions

Article 8 of the Letter of Opinions on Supplementary Amendments

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

19A.51 of the Hong Kong Listing Rules

The receiving agents appointed by the Company for holders of overseas-listed foreign shares which are listed in Hong Kong shall be trust companies registered pursuant to the Trustee Ordinance of Hong Kong.

Section 1(c), Part D, Appendix 13 to the Hong Kong Listing Rules

## Section 2 Appointment of an Accounting Firm

**Article 204** The Company shall appoint an independent accounting firm which has obtained the qualification to engage in securities related businesses under the relevant regulations of the State to audit the Company's annual financial report and review other financial reports of the Company, and provide other relevant consultancy services.

Article 141 and Article 142 of the Mandatory Provisions

The first accounting firm of the Company may be appointed by the inaugural meeting of the Company before the first annual general meeting and the accounting firm so appointed shall hold office until the conclusion of the first annual general meeting.

If the inaugural meeting fails to exercise its aforesaid powers, those powers shall be exercised by the Board.

The term of office of an accounting firm appointed by the Company shall be one (1) year commencing from the conclusion of each annual general meeting of shareholders until the conclusion of the next annual meeting of shareholders, and the appointment may be renewed.

**Article 205** The accounting firm appointed by the Company shall enjoy the following rights:

Article 143 of the Mandatory Provisions

- (I) to inspect the financial statements, books, and records of the Company at any time; and to require the directors, general manager or other senior management of the Company to provide relevant information and explanations;
- (II) to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanations as are necessary for the purpose of discharging its duties;
- (III) to attend shareholders' general meetings and to receive all notices of, and other information relating to any general meeting, and to deliver speeches at any general meeting in relation to the matters concerning its role as the accounting firm of the Company.

**Article 206** In the event of any casual vacancy of the office of the accounting firm, before the convening of the general meeting, the Board of Directors may fill any casual vacancy in the office of the accounting firm subject to confirmation at the next annual general meeting, but while any such vacancy continues, the surviving or continuing firm, if any, may act.

Article 144 of the Mandatory Provisions

**Article 207** The shareholders in a general meeting may, by ordinary resolution, remove an accounting firm before the expiration of its office, notwithstanding the stipulations in the contract between the Company and the firm, but without prejudice to the firm's right to claim against the Company, if any, for damages in respect of such removal.

Article 145 of the Mandatory Provisions

**Article 208** The remuneration of an accounting firm or the manner for determining the same shall be determined by the shareholders at a general meeting. The remuneration of an accounting firm appointed by the Board of Directors shall be determined by the Board.

Article 146 of the Mandatory Provisions

**Article 209** The Company's engagement, removal or discontinuance of engagement of an accounting firm shall be resolved by the shareholders at a general meeting, and such resolution shall be filed with securities regulatory authorities in accordance with the law and regulations.

Article 147 of the Mandatory Provisions

Where it is proposed that any resolution be passed at a general meeting concerning the appointment of an accounting firm, which is not an incumbent firm, to fill a casual vacancy in the office of the accounting firm, or to reappoint a retiring accounting firm which was appointed by the Board of Directors to fill a casual vacancy, or to remove the accounting firm before the expiration of its term of office, the following provisions shall apply:

Article 9 of the Letter of Opinions on Supplementary Amendments

- (I) A copy of the proposal about the appointment or removal shall be sent to the firm proposed to be appointed or proposing to cease to act or the firm which has ceased to act in the relevant financial year before notice of general meeting is given to the shareholders.

Section 1 e(i), Part D, Appendix 13 to the Hong Kong Listing Rules

Ceasing to act includes leaving by removal, resignation and retirement.

- (II) If the firm which is about to cease to act makes representations in writing and requests the Company to notify the shareholders of such representations, the Company shall (unless the representations are received too late):
1. in any notice given to shareholders about a resolution to be made, state the representations that have been made by such accounting firm; and
  2. send the duplicate copy of the statement in the form of an attachment to the notice to shareholders entitled thereto in a way stipulated by the Articles of Association.
- (III) if the Company fails to send the statement of relevant accounting firm according to the provisions of item (II) above, the accounting firm may request the statement be read out at the general meeting and make further appeal.
- (IV) the leaving accounting firm shall be entitled to attend the following meetings:
1. the general meeting at which its term of office expires;
  2. the general meeting at which it is proposed to fill the vacancy caused by its removal;
  3. the general meeting, which is convened as a result of its resignation.

The leaving accounting firm shall be entitled to receive all notices of, and other communications relating to, any such meetings, and to speak at any such meetings in relation to matters concerning its role as the former accounting firm of the Company.

**Article 210** Where the Company dismisses or ceases to re-appointing an accounting firm, prior notice shall be given to the accounting firm, and the accounting firm shall have the right to state its opinions to the general meeting. Where the accounting firm resigns, it shall explain at the general meeting whether there are any improper circumstances of the Company.

Article 148 of  
the Mandatory  
Provisions

**Article 211** An accounting firm may resign its office by depositing a written resignation notice at the Company's legal address. Such notice shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall include the following statements:

Article 10 of  
the Letter of  
Opinions on  
Supplementary  
Amendments

- (I) a statement to the effect that there are no circumstances connected with its resignation, which it considers should be brought to the notice of the shareholders or creditors of the Company;
- (II) a statement of any other circumstances requiring an explanation.

Section 1 e(ii)  
(iii)(iv), Part D,  
Appendix 13 to  
the Hong Kong  
Listing Rules

The Company shall send a copy of the notice referred to in the preceding paragraph to the relevant responsible department within fourteen (14) days after receipt. If the notice contains a statement as mentioned in item (II) of the preceding paragraph, the Company shall also send a copy thereof to each shareholder that has the right to receive the report of the Company's financial situations. Subject to the laws, administrative regulations, departmental rules, the relevant requirements of securities regulatory authority in the jurisdiction in which the shares of the Company are listed, the Company may also send the aforesaid reports by way of announcements (including announcements via the Company's website).



If the notice of resignation of the accounting firm contains a statement in respect of any circumstances requiring an explanation, the firm may require the Board to convene an extraordinary general meeting for the purpose of giving an explanation of the circumstances in connection with its resignation.

## CHAPTER 14 NOTICES AND ANNOUNCEMENTS

**Article 212** Notices of the Company shall be served by the following method

- (I) by hand;
- (II) by mail;
- (III) by facsimile or e-mail;
- (IV) by making an announcement on the website or newspapers designated by the Company and stock exchanges in accordance with the laws, regulations and listing rules of the places where the Company's shares are listed;
- (V) by other means agreed before between the Company and the recipient or accepted by the recipient after receiving notice;
- (VI) by other means approved by the laws, regulations, relevant regulatory authorities at the place where the Company's shares are listed or means specified in these Articles of Association.

Article 163 of the Guidelines for Articles of Association

Article 7 of Appendix 3 to the Hong Kong Listing Rules

Where a notice is served by way of announcement, after the publication of such announcement, all related persons shall be deemed to have received the notice unless the regulatory authorities of the place where the Company's shares are listed requires otherwise.

Article 164 of the Guidelines for Articles of Association

Unless otherwise provided in these Articles of Association, the notice delivered to each holder of the H Shares, if delivered by public announcement, the Company shall on the same day submit an electronic version, which may be published immediately to the Hong Kong Stock Exchange through the electronic upload system to publish it on the website of Hong Kong Stock Exchange in accordance with the requirements under the Listing Rules. The announcement shall be published on the Company's website at the same time. In addition, the Company shall deliver the notice to each holder of the H Shares in person or by prepaid mails according to their registered address.

Article 7(1)(3) of Appendix 3 to the Hong Kong Listing Rules

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

Rule 19A.56 of the Hong Kong Listing Rules

Rule 2.07A(1) of the Hong Kong Listing Rules

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

**Article 213** Unless otherwise provided in these Articles of Association, the notice means as set out in the preceding Article, may also be applicable to notices for general meetings, meetings of Board or the Supervisory Committee of the Company.

**Article 214** If the notice is served by hand, the date of service is the date of acknowledgment of receipt by signature or affixed seal on the service return slip. If the notice is sent by speedpost, the date of service is the fifth (5) working day from the date of delivery at the post office. If the notice is given by e-mail, the date of such e-mail entering the recipients' designated electronic data exchange system shall be the date of service. If the notice is given by fax, the sent date on the sender's fax record shall be the date of service.

**Article 215** Where relevant corporate documents must be in English and be accompanied by a Chinese version and be served through delivery, post, distribution, sending out, announcement or other means according to the requirements of the listing rules of the place(s) where the shares of the Company are listed, if shareholders, whom under proper arrangements by the Company, confirm they wish to receive such information only in the English or Chinese version, and such actions are permitted under the applicable laws and regulations, the Company may send such documents only in the English or Chinese version to relevant shareholders according to their prescribed wishes.

## **CHAPTER 15 MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION**

### **Section 1 Merger, Division, Capital Increase and Capital Reduction**

**Article 216** The merger or division of the Company shall be proposed by the Board of the Company and shall go through the relevant approval process according to the law after being approved by the procedures required by these Articles of Association. The shareholders who object to such merger or division shall have the right to require the Company or shareholders who consent to the proposal for merger or division of the Company to purchase their shares at a fair price. Specific documents shall be prepared with regard to the content of the resolutions on the Company's merger or division for shareholders' inspection.

For holders of overseas listed foreign shares, the aforesaid documents shall be delivered by mail or by other means as permitted by relevant laws, regulations or the listing rules of the listing place.

Article 168 of  
the Guidelines  
for Articles of  
Association

Rule 2.07B(1)  
of the Hong  
Kong Listing  
Rules

Article 149 of  
the Mandatory  
Provisions

**Article 217** The merger of the Company may take the form of either merger by absorption or merger by incorporation.

Article 150 of  
the Mandatory  
Provisions

**Article 218** In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and checklists of properties. The companies involved shall notify the creditors according to the Company Law, and shall make a public announcement in a newspaper recognized by the Stock Exchange of the place where the Company's shares are listed, and clear off its debts or provide corresponding guarantees as required by the creditors according to relevant laws.

Article 150 of  
the Mandatory  
Provisions,  
Article 172 of  
the Guidelines  
for Articles of  
Association

**Article 219** Upon the completion of a merger, the respective accounts payable and receivable will be inherited by the continuing company, or the newly formed company after the merger. However, this does not apply if there were other arrangements in the debt settlement written agreement between the Company and the creditors prior to the division.

Articles 174  
and 176 of the  
Company Law,  
Article 150 of  
the Mandatory  
Provisions

**Article 220** As for the division of a company, the properties thereof shall be divided accordingly.

Article 175,  
Article 151 of  
the Mandatory  
Provisions

In the event of a division, balance sheets and checklists of properties shall be prepared. The Company shall notify its creditors within ten (10) days from the date on which the Company's merger resolution is passed in accordance with the Company Law, and shall publish an announcement in a newspaper recognized by the Stock Exchange of the place where the Company's shares are listed within thirty (30) days. Creditors are entitled to, within thirty (30) days upon receipt of the notification, or for creditors who have not received such notification, within forty-five days after the date of announcement, request the Company to make repayments or provide relevant guarantees in respect of its indebtedness.

**Article 221** The debts of the Company before the division shall be borne by the companies established after division jointly and severally, save as otherwise agreed in writing between the Company and the creditors in respect of debt settlement before division.

Article 176 of  
the Company  
Law, Article  
175 of the  
Guidelines  
for Articles of  
Association  
Article 177 of  
the Guidelines  
for Articles of  
Association  
Article 152 of  
the Mandatory  
Provisions

**Article 222** The merger or division of the Company shall be executed in accordance with the laws, administrative regulations and relevant provisions required by the Securities Regulatory Authorities and shall be subject to the approval of the approving authorities such as the Securities Regulatory Authorities. When the merger or division involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with the law. When the Company dissolves, the Company shall cancel its registration in accordance with the law. When a new company is established, its establishment shall be registered in accordance with the law.

**Article 223** A balance sheet and a property list shall be prepared for the purpose of the reduction of registered capital of the Company.

The Company shall inform its creditors of the reduction in capital within ten (10) days and publish an announcement of the reduction in the newspaper within thirty (30) days after the resolution regarding the reduction is made. The creditors may require the Company to pay its debts or provide guarantees for the debts within thirty (30) days upon receiving such notice or, in the absence of such notice, within forty-five (45) days from the date of the relevant announcement.

**Article 224** When increasing or reducing the registered capital, the Company shall register the changes with company registration authorities in accordance with the laws.

## Section 2 Dissolution and Liquidation

**Article 225** The Company shall be dissolved upon the occurrence of any of the following events:

Articles 180 and 182 of the Company Law, Article 153 of the Mandatory Provisions

- (I) expiration of the term of business provided in these Articles of Association or other cause of dissolution as specified therein;
- (II) a special resolution on dissolution is passed at the general meeting;
- (III) dissolution is required due to the merger or division of the Company;
- (IV) the Company's business license is revoked or the Company is ordered to close down or de-registered according to the law;
- (V) the Company is ordered to close down or dissolved according to the law for breaches of the laws and administrative regulations;
- (VI) the Company suffers significant hardships in operation and management that cannot be resolved through other means, and its continuation may cause substantial loss in shareholders' interests, shareholders representing ten percent (10) % or above of the total voting rights of the Company may plead the people's court to dissolve the Company.

**Article 226** In the circumstance set out in item (I) of Article 225 of these Articles of Association, the Company may continue to subsist by amending these Articles of Association. An amendment to these Articles of Association requires affirmative votes by two-thirds (2/3) or more of the votes held by shareholders attending the general meeting.

Article 183 of the Company Law, Article 154 of the Mandatory Provisions

Where the Company is dissolved pursuant to sub-paragraphs (I), (II), (IV) or (VI) of Article 225, it shall establish a liquidation committee within fifteen (15) days as of the dissolution circumstance arises and the liquidation shall be thereby started. The liquidation committee shall comprise directors or those determined at the general meeting. If the liquidation committee is not duly set up within 15 days, the creditors may plead the people's court to designate related persons to form a liquidation committee to carry out the liquidation.

**Article 227** Where the Board of Directors resolves to liquidate the Company for any reason other than bankruptcy, the Board of Directors shall include a statement in its notice convening a general meeting for such issue, stating that the Board of the Directors has performed a full investigation on the Company, and believes the debts of the Company could be fully repaid within twelve (12) months as of the commencement of the liquidation.

Article 155 of the Mandatory Provisions

Upon passing the resolution for the liquidation of the Company at the general meeting, all functions and powers of the Board of Directors shall immediately cease.

The liquidation committee shall act in accordance with the instructions of general meeting and make a report at least once every year at the general meeting on its income and expenses, the business of the Company and the progress of the liquidation, and present a final report at the general meeting upon completion of the liquidation.

**Article 228** The liquidation committee shall exercise the following powers during the liquidation period:

Article 184 of  
the Company  
Law, Article  
157 of the  
Mandatory  
Provisions

- (I) checking the Company's assets and preparing a balance sheet and an inventory of assets, respectively;
- (II) notifying the creditors by notice or announcement;
- (III) dealing with the outstanding liquidation-related business of the Company;
- (IV) paying off outstanding taxes as well as taxes arising in the course of liquidation;
- (V) claiming credits and paying off debts;
- (VI) disposing of the remaining assets of the Company after the settlement of debts;
- (VII) representing the Company in any civil proceedings.

**Article 229** As of the date of its establishment, the liquidation committee shall notify the creditors within ten (10) days and make public announcement within sixty (60) days. Creditors shall, within thirty (30) days after receipt of the notice, or for those who do not receive the notice, within forty (45) days as of the date of the announcement, declare their claims to the liquidation committee.

Article 185 of  
the Company,  
Article 156 of  
the Mandatory  
Provisions

Creditors shall provide explanations on and evidence for their claims upon their declarations of such claims. The liquidation committee shall record the creditors' claims.

The liquidation committee shall not pay off any debts to any creditors during the period of credit declaration.

**Article 230** After checking the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan to be confirmed by either a general meeting or the people's court.

Article 158 of  
the Mandatory  
Provisions

The Company's assets shall be distributed for repayments in the following sequence:

- (I) payment of liquidation expenses;
- (II) payment of staff wages, social insurance expenses and statutory compensation;
- (III) payment of outstanding taxes;
- (IV) payment of the Company's debt;
- (V) distributed to its shareholders according to the proportion of their shareholdings.

The Company's assets shall not be distributed to its shareholders prior to repaying debts in accordance with the foregoing provisions in items (I) to (IV).

During the liquidation period, the Company remains in existence; however, it shall not commence any business activity that is unrelated to liquidation. The Company's assets shall not be distributed to shareholders prior to settling debts pursuant to the foregoing provision.

**Article 231** If the liquidation committee, after checking the Company's assets and preparing a balance sheet and an inventory of assets, finds that the Company's assets are insufficient to pay off its debts, it shall immediately file an application to the people's court for bankruptcy.

Article 187 of  
the Company  
Law, Article  
159 of the  
Mandatory  
Provisions

After the Company is declared bankrupt by the people's court, the liquidation committee shall hand over the liquidation matters to the people's court.

**Article 232** Upon completion of liquidation of the Company, the liquidation committee shall prepare a liquidation report and a statement of the income and expenses and the account books in respect of the liquidation period, and after verification by the PRC certified public accountants, shall submit the same to the general meeting or the relevant competent authorities for confirmation. The liquidation committee shall, within thirty (30) days after the general meeting or after obtaining confirmations from the relevant competent authorities, submit the aforesaid documents to the company registration authority, apply for deregistration of the Company, and announce the termination of the Company.

Article 160 of  
the Mandatory  
Provisions

**Article 233** Members of the liquidation committee shall be loyal to their duties and shall perform liquidation obligations according to law. The liquidation committee members shall neither take advantage of their powers to accept bribery or other illegal incomes, nor embezzle the Company's property.

Article 186 of  
the Guidelines  
for Articles of  
Association

The liquidation committee members shall bear the liability for compensation if losses are caused to the Company or the creditors due to their intentional actions or gross negligence.

## CHAPTER 16 PROCEDURES FOR AMENDING THE ARTICLES OF ASSOCIATION

**Article 234** The Articles of Association may be amended in accordance with the laws, administrative regulations and the provisions of these Articles of Association.

Article 161 of  
the Mandatory  
Provisions

**Article 235** The Company shall revise the Articles of Association in any of the following cases:

Article 188 of  
the Guidelines  
for Articles of  
Association

- (I) after amendment has been made to the relevant laws, administrative regulations, departmental rules, normative rules or listing rules of the place which the shares of the Company are listed, the contents of the Articles of Association conflict with these amendments;
- (II) Any change in the Company's conditions which is not consistent with those matters recorded in the Articles of Association;
- (III) Any amendment of the Articles of Association resolved by the general meeting.

**Article 236** Where the amendments to the Articles of Association approved by the general meeting shall be subject to the approval of the relevant regulatory authorities, such amendments shall be submitted to the relevant regulatory authorities for approval; where amendments involve registration matters of the Company, procedures for change of registration shall be dealt with in accordance with the law.

Article 162 of  
the Mandatory  
Provisions

**Article 237** The Board of Directors shall revise these Articles of Association according to resolutions of the general meeting and approval comments of the relevant competent authorities.

Article 190 of the Guidelines for Articles of Association

Any amendment to these Articles of Association shall take effect upon consideration and approval at the general meeting of the Company.

**Article 238** Any amendment to Articles of Association that constitutes information required to be disclosed by laws and regulations shall be announced as required.

Article 191 of the Guidelines for Articles of Association

## CHAPTER 17 SETTLEMENT OF DISPUTES

**Article 239** The Company follows the rules of dispute resolution below:

Article 163 of the Mandatory Provisions, Article 11 of the Letter of Opinions on Supplementary Amendments, Rule 19A.54(3) of the Hong Kong Listing Rules

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

Where the aforesaid dispute or claim is submitted for arbitration, the entire dispute or claim shall be resolved through arbitration; all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, if they are the Company or shareholders, directors, supervisors or senior management of the Company, shall abide by the result of arbitration.

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

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

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

- (III) The laws of PRC shall govern the arbitration of disputes or claims described in paragraph (I) above, unless otherwise provided by the laws or administrative regulations.

- (IV) The award of the arbitral body is final and shall be binding on the parties thereto.

(V) For any arbitration agreement to be reached by directors, supervisors or senior management and the Company (including rules of settlement of disputes as provided in this Article), the Company shall represent both itself and each of the shareholders.

(VI) Any arbitration submitted shall be deemed as authorizing the arbitration tribunal to conduct a public hearing and announce its verdict.

## CHAPTER 18 MISCELLANEOUS

### Article 240 Definitions

(I) The “controlling shareholder” shall refer to a shareholder that satisfies any of the following conditions:

Article 48 of  
the Mandatory  
Provisions

1. he/she, acting alone or in concert with others, has the power to elect half or more of the total number of Directors;
2. he/she, acting alone or in concert with others, has the power to exercise or control the exercise of thirty per cent (30%) (thirty per cent inclusive) or more of the Company’s voting rights;
3. he/she, acting alone or in concert with others, holds thirty per cent (30%) (thirty per cent inclusive) or more of the issued and outstanding shares of the Company;
4. he/she, acting alone or in concert with others, has de facto control over the Company in any other manner.

Article 216 of  
the Company  
Law

(II) The “de facto controller” refers to that although such controller is not a shareholder of the Company, he/she is a person who can actually control the Company through investment relations, agreements or other arrangements.

Article 194 of  
the Guidelines  
for Articles of  
Association

**Article 241** These Articles of Association are written in Chinese. Should there be any discrepancy between the versions in other languages and the Chinese version, the latest Chinese version of the Articles of Association approved by and registered with the competent administration for industry and commerce shall prevail.

**Article 242** The term “or more”, “within”, “below”, as stated in these Articles of Association shall all include the given figure; the term “not exceeding”, “except”, “more than”, “less than”, “exceeding”, “over” shall all exclude the given figure.

Article 195 of  
the Guidelines  
for Articles of  
Association

**Article 243** The “connected person transaction” referred to in these Articles of Association shall have the meaning of “connected person transaction” as defined in the Hong Kong Listing Rules.

**Article 244** The Board may formulate by-laws in accordance with the provisions of these Articles of Association, provided that such by-laws shall not be in violation of these Articles of Association.

Article 193 of  
the Guidelines  
for Articles of  
Association

**Article 245** The Board shall be responsible for the interpretation of these Articles of Association.

Article 196 of  
the Guidelines  
for Articles of  
Association