

# **HANGZHOU SF INTRA-CITY INDUSTRIAL CO., LTD.**

## **ARTICLES OF ASSOCIATION**

Amended by a special resolution passed at the Extraordinary  
General Meeting held on 30 December 2025

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# ARTICLES OF ASSOCIATION OF HANGZHOU SF INTRA-CITY INDUSTRIAL CO., LTD.

## CHAPTER 1 GENERAL PROVISIONS

**Article 1** In order to standardize the organization and behaviors of Hangzhou SF Intra-city Industrial Co., Ltd. (hereinafter referred to as the “Company”), and protect the legitimate interests of the Company, shareholders, employees and creditors, these Articles are formulated in accordance with the requirements of 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 Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (hereinafter referred to as the “Trial Measures”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “SEHK Listing Rules”) and other relevant laws and regulations, and with reference to the Guidelines on Articles of Association of Listed Companies (hereinafter referred to as the “Guidelines on Articles”).

**Article 2** The Company is incorporated by way of promotion as a joint stock limited company in accordance with the Company Law and other related laws and administrative regulation. It was registered at the Market Supervision Bureau of Xiaoshan District, Hangzhou City on June 21, 2019 and obtained its business license.

The Company’s unified social credit code is: 91330100MA2GN7QH45.

Shenzhen S.F. Taisen Holding (Group) Co., Ltd. and Beijing SF Intra-city Technology Co., Ltd. are the promoters of the Company.

**Article 3** The Company has been approved by the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) on October 13, 2021 to issue 131,180,800 overseas-listed shares (hereinafter referred to as the “H Shares”) on the Main Board of The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”) and was listed on the Main Board of the Hong Kong Stock Exchange on December 14, 2021.

**Article 4** The Company’s registered name is:

Full name in Chinese: 杭州順豐同城實業股份有限公司

Full name in English: Hangzhou SF Intra-city Industrial Co., Ltd.

**Article 5** The Company’s domicile is: Room 1626, 16/F, Chenchuang Building, No.198 Zhoushan East Road, Gongshu District, Hangzhou City, Zhejiang Province.

Postal code: 310015

Tel.: 0755-36390016

**Article 6** The registered share capital of the Company is RMB917,375,507.

**Article 7** The chairman of the Board of Directors or the general manager is the legal representative of the Company. If the chairman of the Board of Directors or the general manager serving as the legal representative resigns, he/she shall be deemed to have concurrently resigned as the legal representative.

If the legal representative resigns, the Company shall appoint a new legal representative within 30 days from the date of such resignation.

**Article 8** The Company is a joint stock limited company with perpetual existence and is an independent legal entity. The Company conducts independent auditing and operation, and be liable for its own profit and loss. The assets of the Company are divided into equal shares. The shareholders of the Company shall bear liability for the Company to the extent of the shares they hold, and the Company shall bear liability for the debts of the Company with its entire assets.

**Article 9** The Company resolutely abides by national laws, regulations and the requirements under these Articles, safeguards national and social public interests, and accepts the supervision of relevant government departments.

**Article 10** These Articles, being the code of conduct for the Company, are passed at the shareholders' general meeting of the Company. From the date when these Articles take effect, these Articles constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and each shareholder and among the shareholders inter se, and shall have legal binding force shareholders, on the Company, Directors and senior management members. Pursuant to these Articles, shareholders may institute legal proceedings against shareholders, or against Directors and senior management members of the Company, or against the Company, and the Company may institute legal proceedings against shareholders, Directors and senior management members.

Legal proceedings referred to in the preceding paragraph include any legal action brought before a court and any arbitration application submitted to an arbitration institution.

**Article 11** The Company may invest in other limited liability companies, joint stock limited companies or other enterprises, and the Company's liabilities to an invested entity shall be limited to the amount of its capital contribution to such invested company.

If the law stipulates that the Company shall not become a capital contributor that shall bear the joint and several liabilities for the debts of the enterprises it invests in, such provisions shall prevail.

**Article 12** The senior management members referred to these Articles include general manager, deputy general managers, financial officer, secretary to the Board of Directors and other senior management members recognized by the Board.

## CHAPTER 2 BUSINESS OBJECTIVES AND SCOPE OF THE COMPANY

**Article 13** The business objective of the Company is striving to become a multi-scenario third-party on-demand delivery service platform with industry-leading quality and efficiency.

**Article 14** As registered in accordance with the law, the business scope of the Company covers supply chain management, enterprise management, commercial information consultation and marketing planning. (Except for the items subject to the administrative approval, the Company carries out operating activities listed in its business license freely according to the law).

The business scope referred to in the preceding paragraph shall be such items as approved by the relevant company registration authority.

The Company may, based on any changes in domestic and international markets, business development and its own capability, adjust its business scope, make amendments to these Articles according to the relevant procedures and complete relevant formalities of industry and commerce administration registration for such adjustment according to relevant provisions.

## CHAPTER 3 SHARES

### Section 1 Issue of Shares

**Article 15** The stock of the Company shall take the form of shares. All shares issued by the Company shall have nominal values denominated in RMB, with each share having a nominal value of RMB1.00.

Renminbi referred to in the preceding paragraph refers to the statutory currency of the PRC.

**Article 16** The Company shall issue shares in a fair and just manner, and each share of the same class shall have the same right.

All shares of the same class issued at the same time shall be issued under the same conditions and at the same price; any entity or individual shall pay the same price for all shares of the same class issued at the same time.

Unlisted domestic shares and H Shares issued by the Company shall have the same right in any distribution of dividend or other forms of distributions. The Company shall not exercise any right to freeze or otherwise damage the rights attached to any shares directly or indirectly held by any person only on the ground that the said person has not disclosed his/her equity to the Company.

**Article 17** The Company may offer its shares to both domestic and foreign investors upon registration or filing with the relevant securities regulatory authority under the State Council.

Foreign investors as referred to in the preceding paragraph shall mean those investors in foreign countries and Hong Kong, Macau or Taiwan Region who subscribe for shares of the Company. Domestic investors shall mean those investors in the PRC, excluding the aforementioned regions, who subscribe for shares of the Company.

**Article 18** All the shares issued by the Company shall have a par value denominated in Renminbi. Shares that the Company issues to domestic investors for subscription in Renminbi shall be known as domestic shares. Shares that the Company issues to foreign investors for subscription in foreign currencies shall be known as foreign shares. Foreign shares listed overseas shall be known as overseas listed shares.

Foreign currency aforementioned refers to the statutory currency, other than RMB, of another country or region, which is recognized by the foreign exchange authority of the state and can be used to pay the Company for the shares.

Both holders of unlisted domestic shares and holders of foreign shares are common shareholders and shall have the same rights and obligations.

**Article 19** Shares issued by the Company but not listed or quoted on domestic or overseas stock exchanges are referred to as unlisted domestic shares (including domestic shares and unlisted foreign shares). After the Company issues and lists its shares overseas and where permitted by relevant laws, administrative regulations and departmental rules, shareholders holding unlisted domestic shares of the Company may convert their unlisted domestic shares into H Shares for listing and trading on an overseas stock exchange. The listing and trading of such shares on an overseas stock exchange shall also comply with the regulatory procedures, regulations and requirements of such domestic and overseas stock exchange. The conversion of the aforesaid unlisted domestic shares into H Shares and the listing and trading of such shares on an overseas stock exchange are not subject to voting at the shareholders' general meeting. The overseas listed shares converted from unlisted domestic shares shall be of the same class as the original overseas listed shares.

**Article 20** Domestic shares issued by the Company shall be centrally deposited at the depository which meets the relevant requirements. The H Shares issued by the Company in Hong Kong are mainly under the custody of the securities depository and clearing company in Hong Kong and may also be held by shareholders in their own names.

**Article 21** The Company was established on June 21, 2019 as a joint stock company with limited liability and formed by the following 2 promoters, namely: Shenzhen S.F. Taisen Holding (Group) Co., Ltd. and Beijing SF Intra-city Technology Co., Ltd.

**Article 22** The share capital structure of the Company is 917,375,507 ordinary shares, including 171,764,898 unlisted domestic shares and 745,610,609 H Shares.

**Article 23** The Company or its subsidiaries (including affiliates of the Company) shall not provide any financial assistance in the form of gifts, advances, guarantees, borrowings to purchasers or prospective purchasers of the Company's shares, except for the implementation of an employee stock ownership plan of the Company.

For the benefits of the Company, the Company may, upon a resolution by the shareholders' general meeting or by the Board of Directors under these Articles or the authorization of the shareholders' general meeting, provide financial assistance for others to obtain the shares of the Company or its parent company, provided that the total accumulative amount of the financial assistance shall not exceed 10% of the total issued share capital. A resolution by the Board of Directors shall be adopted by not less than two-thirds of all the Directors.

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

**Article 24** The Company may increase registered capital by the following ways in light of its business and development needs and in accordance with the relevant laws and regulations, the listing rules of the place where the shares of the Company are listed and these Articles and by resolutions made at shareholders' general meetings:

- (I) offering of shares to non-specific investors;
- (II) offering of shares to specific investors;
- (III) distributing new shares to existing shareholders;
- (IV) transferring reserve funds to increase share capital;

(V) any other ways stipulated by laws, administrative regulations and requirements of the CSRC.

Issue of new shares by the Company for capital increase shall be subject to approval as specified in these Articles and follow the procedures specified in the relevant State laws and administrative regulations.

**Article 25** The Company may decrease its registered capital. Such decrease shall be made in accordance with the procedures set out in the Company Law, other relevant provisions and these Articles.

**Article 26** The Company may not purchase its own shares except in any of the following circumstances:

- (I) reducing the registered capital of the Company;
- (II) merging with other companies holding shares of the Company;
- (III) using the shares for employee shareholding schemes or as share incentives;
- (IV) requesting the Company to repurchase its shares from shareholders who object to resolutions of the shareholders' general meeting concerning merger or division of the Company;
- (V) using the shares for conversion of convertible corporate bonds issued by the listed company;
- (VI) it is necessary for the listed company to maintain its value and the shareholders' equity.

The Company may repurchase its shares through open and centralized trading or other methods permitted by laws, administrative regulations, the SEHK Listing Rules, securities regulatory rules of the place where the shares of the Company are listed and the CSRC.

**Article 27** Repurchase of the Company's shares for reasons set out in (I) to (II) of Article 26 of these Articles shall be subject to resolution at a shareholders' general meeting. Repurchase of the Company's shares for reasons specified in (III), (V) or (VI) of Article 26 of these Articles shall be subject to resolution at a Board meeting at which more than two thirds of the Directors are present in accordance with these Articles and with the authorization of the shareholders' general meeting.

**Article 28** Shares repurchased by the Company under (I) of Article 26 herein shall be cancelled within 10 days from the date of completion of repurchase; shares repurchased under (II) and (IV) of Article 26 herein shall be transferred or cancelled within 6 months thereafter; and shares of the Company acquired in accordance with (III), (V) and (VI) of Article 26 herein shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within 3 years.

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

### Section 3 Transfer of Shares

**Article 29** Shares of the Company may be transferred, presented, inherited and pledged pursuant to relevant laws, administrative regulations and these Articles. Transfer instruments and other documents in relation to the ownership of shares shall be registered with the share registry entrusted by the Company.

The Company shall not accept its own shares as the subject matter of pledge.

**Article 30** Shares of the Company held by promoters shall not be transferred within 1 year from the date of establishment of the Company. Shares previously issued by the Company prior to the public offering shall not be transferred within 1 year from the date on which the shares of the Company are listed and traded on a stock exchange.

Such restrictions shall comply with the relevant provisions of the SEHK Listing Rules if H shares are involved.

## CHAPTER 4 SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETING

### Section 1 Shareholders

**Article 31** The Company establishes a register of shareholders based on the certificates provided by the securities registration and clearing institution and the register of shareholders is sufficient evidence of the shareholders' shares held in the Company. A shareholder shall enjoy rights and bear obligations according to the class and quantity of the shares held by him/her. Holders of the same class shall enjoy the same rights and bear the same obligations.

**Article 32** If the Company convenes a shareholders' general meeting, distributes dividends, liquidates or carries out other activities which would require the determination of shareholders' identity, the Board or convener of the shareholders' general meeting shall fix a date for registration of the shareholding. Upon the close of such date, the shareholders who remain on the register shall be deemed as the shareholders entitled to relevant interests.

**Article 33** Shareholders of the Company shall have the following rights:

- (I) to receive distributable profits and other distributions in proportion to the number of shares they hold;
- (II) to lawfully require, convene, preside over, attend or appoint a proxy to attend shareholders' general meetings and to vote thereat as per their shareholdings;
- (III) to supervise, present suggestions on or make inquiries about the business activities of the Company;
- (IV) to transfer, gift, pledge or otherwise dispose their shares in accordance with laws, administrative regulations and these Articles;
- (V) to inspect these Articles, register of shareholders, corporate bond counterfoils, minutes of shareholders' general meeting, resolutions of Board meetings and financial statements;

- (VI) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining assets of the Company according to the number of shares held;
- (VII) with respect to shareholders who vote against any resolution adopted at the shareholders' general meeting on the merger or demerger of the Company, the right to demand the Company to acquire the shares held by them;
- (VIII) any other rights stipulated by laws, administrative regulations, departmental rules or these Articles.

The Hong Kong branch register of shareholders must be open to inspection by shareholders, but it may permit the closure of the register of shareholders of the Company on terms equivalent to Section 632 of the Hong Kong Companies Ordinance.

**Article 34** Shareholders shall provide written document that can prove the class and number of shares held by them if they request to inspect relevant information mentioned in Article 33 of these Articles or collect information, the Company should provide the information according to the shareholder's request after verifying the identity of the shareholder. Shareholders shall keep confidential of the information and materials reviewed.

In addition, shareholders may request to inspect the accounting books of the Company. In such case, such request shall be made to the Company in writing and state its purposes. If the Company, on reasonable grounds, considers that the Shareholders are inspecting the accounting books for improper purposes and may result in damage to the Company's legitimate interests, the Company may refuse the inspection and make written response to the Shareholders stating its reasons within 15 days upon delivery of the written request by the Shareholders. If the Company refuses the inspection, the Shareholders may make proposal to the People's Court to request the Company to provide inspection of the accounting books of the Company.

**Article 35** If any resolution of the shareholders' general meeting or the Board meeting violates the laws or administrative regulations, the shareholders shall have the right to submit to the People's Court to nullify such resolution.

If the convening procedures or voting methods for the shareholders' general meeting or the Board meeting violate the laws, administrative regulations or these Articles, or any content of the resolution thereof violates these Articles, the shareholders shall have the right to submit to the People's Court within 60 days after such a resolution is made to revoke it. However, this does not apply if such procedures for convening the shareholders' general meeting and the Board meeting, or the voting thereat, have only minor flaws that have no substantial impact on the resolution.

Where the Board of Directors, shareholders and other stakeholders dispute the validity of a resolution of the shareholders' general meeting, they shall promptly file a lawsuit with the People's Court. The relevant parties shall execute the resolution of the shareholders' general meeting before the People's Court makes a judgment or ruling to revoke the resolution. The Company, Directors and senior management members shall perform their duties diligently to ensure the normal operation of the Company.

Where the People's Court makes a judgement or ruling on the relevant matter, the Company shall fulfill its obligations to disclose the information in accordance with laws, administrative regulations, and the requirements of the CSRC and the stock exchange, give a full explanation on the impact, and proactively support the execution of the judgement or ruling after it has come into effect. If it involves the correction of prior period matters, the Company shall address them in a timely manner and fulfill the corresponding information disclosure obligations.

**Article 36** A resolution of the shareholders' general meeting or the Board of Directors of the Company shall not be valid if any of the following circumstances applies:

- (I) no shareholders' general meeting or Board meeting has been convened to make a resolution;
- (II) no vote has been taken on the matters resolved at the shareholders' general meeting or Board meeting;
- (III) the number of persons attending the meeting or the number of voting rights held by them does not reach the number of persons or the number of voting rights held as stipulated in the Company Law or these Articles;
- (IV) the number of persons or the number of voting rights held by them voting for the resolution does not reach the number of persons or the number of voting rights held as stipulated in the Company Law or these Articles.

**Article 37** Shareholders individually or jointly holding 1% or more of the Company's shares for 180 consecutive days or more shall have the right to request the Audit Committee in writing to bring a legal action in the People's Court against any Director or senior management member other than those who are also members of the Audit Committee for loss of Company resulting from their violation of any laws, administrative regulations or provisions of these Articles in the course of performing their duties; the aforesaid shareholders may request the Board in writing to bring a legal action against the members of the Audit Committee for the loss of the Company resulting from their violation of any laws, administrative regulations or provisions of these Articles in the course of performing the duties.

The shareholders described in the preceding paragraph may bring legal action in the People's Court directly in their own names in the interest of the Company in the event that the Audit Committee or the Board refuses to initiate legal proceedings after receiving the aforesaid written request of shareholders, or fails to initiate such legal proceedings within 30 days on which such request is received, or in case of emergency where failure to initiate such legal proceedings immediately will result in irreparable damage to the Company's interest.

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

**Article 38** If any Director or senior management member is in violation of laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed or these Articles, thus causing any losses to the shareholders, the shareholders may initiate legal proceedings against such Director or senior management member in the People's Court.

**Article 39** Shareholders of the Company shall assume the following obligations:

- (I) to observe laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed and these Articles;
- (II) to pay subscription monies as per the number of shares subscribed and the method of subscription;
- (III) not to withdraw their share capital unless required by laws and regulations;
- (IV) not to abuse their shareholders' rights to jeopardize the interests of the Company or other shareholders; and not to abuse the status of the Company as an independent legal person and the limited liability of shareholders to jeopardize the interests of any creditors of the Company;
- (V) other obligations imposed by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed and these Articles.

Where any shareholder of the Company abuses the shareholders' rights and incur losses to the Company or other shareholders, such shareholder shall be liable for the damages; Where shareholders of the Company abuse the Company's status as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

## **Section 2 Controlling Shareholder and De Facto Controller**

**Article 40** The controlling shareholders and de facto controller of the Company shall exercise their rights and fulfill their obligations in accordance with laws, administrative regulations, the requirements of the CSRC and the stock exchange where the shares of the Company are listed, and shall safeguard the interests of the listed company.

**Article 41** The controlling shareholders and de facto controller of the Company shall comply with the following provisions:

- (I) to exercise their rights as shareholders in accordance with the law and not to abuse their control or use their related (connected) relationship to prejudice the legitimate interests of the Company or other shareholders;
- (II) to strictly fulfill their public statements and various undertakings and not to change or waive such statements and undertakings;
- (III) to fulfill their information disclosure obligations in strict accordance with relevant regulations, cooperate proactively with the Company in information disclosure and inform the Company in a timely manner of material events that have occurred or are intended to occur;
- (IV) not to appropriate the Company's funds in any way;

- (V) not to order, instruct, or request the Company and its relevant personnel to provide guarantees in violation of laws and regulations;
- (VI) not to make use of the Company's undisclosed material information to gain benefits, or disclose in any way undisclosed material information relating to the Company, or engage in insider trading, short-term trading, market manipulation or other illegal and unlawful acts;
- (VII) not to prejudice the legitimate interests of the Company and other shareholders through unfair related party (connected) transactions, profit distribution, asset restructuring, external investment or any other means;
- (VIII) to ensure the integrity of the Company's assets, and the independence of its personnel, finance, organization and business, and not to affect the independence of the Company in any way;
- (IX) laws, administrative regulations, requirements of the CSRC, securities regulatory rules of the place where the shares of the Company are listed and other requirements of these Articles.

### **Section 3 General Provisions of the Shareholders' General Meeting**

**Article 42** The shareholders' general meetings of the Company consist of all shareholders, the shareholders' general meeting is the organ of authority of the Company, which shall exercise the following functions and powers:

- (I) to elect and replace Directors who are not representatives of the employees and to determine matters relating to remuneration of the Directors;
- (II) to consider and approve the reports of the Board;
- (III) to consider and approve the profit distribution plans and loss recovery plans of the Company;
- (IV) to resolve on increase or decrease of the registered capital of the Company;
- (V) to resolve on the issue of corporate bonds;
- (VI) to resolve on the merger, division, dissolution and liquidation of the Company or changes in the form of the Company;
- (VII) to amend these Articles;
- (VIII) to resolve on the appointment and dismissal of accounting firms engaged in the audit work of the Company;
- (IX) to consider and approve the guarantees stipulated in Article 43 of these Articles;
- (X) to consider the acquisition or disposal of material assets by the Company within one year with a value exceeding 30% of the latest audited total assets of the Company;

- (XI) to consider equity incentive schemes and employee stock ownership schemes;
- (XII) to consider other matters as required by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed or these Articles, which shall be decided by the shareholders' general meeting.

The shareholders' general meeting may authorize or entrust the Board of Directors and/or its authorized persons to handle the matters authorized or entrusted by it without violating the laws and regulations and the mandatory provisions of the relevant laws, regulations and regulatory rules of the place where the shares of the Company are listed.

The shareholders' general meeting may remove any Director by a resolution, which shall come into effect from the date on which such resolution is made. Where a Director is removed from office prior to expiration of his/her term of office without reasonable cause, the Director may demand compensation from the Company.

**Article 43** The following external guarantees of the Company shall be considered and approved at the shareholders' general meeting:

- (I) any guarantee provided after the total amount of external guarantees provided by the Company and its controlled subsidiaries has exceeded 50% of the latest audited net assets;
- (II) any guarantee provided after the total amount of external guarantees provided by the Company has exceeded 30% of the latest audited total assets;
- (III) any guarantee provided by the Company to others within one year with guarantee amount exceeding 30% of the latest audited total assets;
- (IV) any guarantee provided for a party whose debt-to-assets ratio exceeds 70%;
- (V) any guarantee with the sum of a single guarantee that has exceeded 10% of the latest audited net assets;
- (VI) guarantees provided to the shareholders, de facto controller and their related (connected) parties.

When the shareholders' general meeting is considering a proposal to provide guarantee for any shareholder, de facto controller or their associated parties, the said shareholder or the shareholders controlled by the said de facto controller and their associated parties (and the relevant persons stipulated under the listing rules of the place where the shares are listed) shall abstain from voting on the said proposal, and the said proposal shall be subject to approval by more than half of the voting rights of the other attending shareholders.

If a Director or any 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, thereby causing the Company to suffer a loss, he/she shall be liable for damages in accordance with relevant laws, regulations, normative documents, securities regulatory rules of the place where the shares of the Company are listed and these Articles and the Company may take legal action against him/her in accordance with laws.

**Article 44** Unless the Company is in a crisis and other special circumstances, without the prior approval of the shareholders' general meeting, the Company shall not enter into any contract with any party (other than a Director and senior management member) regarding the transfer of the management of all or any major part of the Company's businesses to such party.

**Article 45** Shareholders' general meetings are classified into annual shareholders' general meetings and extraordinary shareholders' general meetings. The annual shareholders' general meetings shall be convened once a year and shall be held within 6 months from the end of the previous fiscal year.

The extraordinary shareholders' general meetings shall be convened as and when necessary. The Board shall convene an extraordinary shareholders' general meeting within 2 months from the occurrence of any of the following circumstances:

- (I) when the number of Directors is less than the number stipulated in the Company Law or two-thirds of the number required in these Articles;
- (II) when the unrecovered losses of the Company amount to one-third of the total amount of its paid-in share capital;
- (III) where any shareholder(s) holding individually or collectively 10% (inclusive, excluding voting proxy) or more of the Company's shares carrying voting rights request(s) in writing for the convening of an extraordinary shareholders' general meeting;
- (IV) when deemed necessary by the Board or when requested by the Audit Committee;
- (V) other situations stipulated in laws, administrative regulations, departmental rules, listing rules of the stock exchange of the place where the Company's shares are listed or these Articles.

**Article 46** The shareholders' general meeting shall be held on-site or online. The Company shall provide network or other means for the convenience of shareholders to attend the shareholders' general meeting. Shareholders attending the shareholders' general meeting in the above manner shall be deemed as present.

#### **Section 4 Convening of the Shareholders' General Meeting**

**Article 47** The shareholders' general meeting shall be convened by the Board of Directors in accordance with laws, unless otherwise provided by law or these Articles.

**Article 48** The Board of Directors shall timely convene the shareholders' general meeting within the timeframe as required. With the approval by a majority of all independent directors, the independent directors shall have the right to propose to the Board of Directors to convene an extraordinary shareholders' general meeting. Independent directors shall propose to the Board of Directors in writing to convene an extraordinary shareholders' general meeting. The Board shall, in accordance with the laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed and these Articles, furnish a written reply on whether to convene the extraordinary shareholders' general meeting within 10 days upon receipt of such proposal. If the Board agrees to convene the extraordinary shareholders' general meeting, a notice of such meeting shall be issued within five days upon the passing of the Board resolution. If the Board does not agree to convene the extraordinary shareholders' general meeting, it shall explain the reasons and make an announcement.

**Article 49** The Audit Committee shall have the right to propose to the Board of Directors to convene an extraordinary shareholders' general meeting in writing. The Board of Directors shall, in accordance with the laws, administrative regulations and these Articles, furnish a written reply on whether to convene the extraordinary shareholders' general meeting within 10 days upon receipt of such proposal.

If the Board of Directors agrees to convene the extraordinary shareholders' general meeting, a notice of such meeting shall be issued within five days upon the passing of the Board resolution. Any changes to the original proposal made in the notice shall be approved by the Audit Committee.

If the Board of Directors does not agree to convene the extraordinary shareholders' general meeting or fails to furnish a reply within 10 days upon receipt of such proposal, the Board of Directors shall be deemed to be unable or fail to perform the duty of convening the shareholders' general meeting, and the Audit Committee may convene and preside over the meeting on its own.

**Article 50** Shareholders individually or jointly holding 10% or more of the Company's shares shall have the right to request the Board of Directors to convene an extraordinary shareholders' general meeting, and such request shall be made in writing to the Board of Directors. The Board of Directors shall, in accordance with the laws, administrative regulations and these Articles, furnish a written reply on whether to convene the extraordinary shareholders' general meeting within 10 days upon receipt of such proposal.

If the Board of Directors agrees to convene the extraordinary shareholders' general meeting, a notice of such meeting shall be issued within five days upon the passing of the Board resolution. Any changes to the original proposal made in the notice shall be approved by the relevant shareholders.

If the Board of Directors does not agree to convene the extraordinary shareholders' general meeting or fails to furnish a reply within 10 days upon receipt of such proposal, the shareholders individually or jointly holding 10% or more of the shares of the Company shall have the right to request the Audit Committee to convene an extraordinary shareholders' general meeting, and such request shall be made in writing.

If the Audit Committee agrees to convene the extraordinary shareholders' general meeting, it shall issue a notice of shareholders' general meeting within five days upon receipt of the proposal. Any changes to the original proposal in the notice shall be approved by the relevant shareholders.

If the Audit Committee fails to issue the notice of the shareholders' general meeting within the prescribed period, it shall be deemed that the Audit Committee does not convene and preside over the shareholders' general meeting, and shareholders individually or jointly holding 10% or more of the shares of the Company with voting rights at the proposed meeting for 90 consecutive days or more may convene and preside over the meeting on their own.

**Article 51** If the Audit Committee or shareholders decide to convene a shareholders' general meeting on their own, they shall notify the Board of Directors in writing.

The shareholding of the convening shareholders shall not be less than 10% before the announcement of the resolutions of the shareholders' general meeting.

**Article 52** The Board of Directors and the secretary to the Board of Directors shall cooperate with the Audit Committee or the shareholders to convene the shareholders' general meeting upon receipt of the notice. The Board of Directors shall provide the register of shareholders on the date for registration of shareholding.

**Article 53** All expenses necessary for the shareholders' general meeting convened by the Audit Committee or shareholders on their own shall be borne by the Company.

## **Section 5 Proposals and Notices of the Shareholders' General Meeting**

**Article 54** The contents of the proposals shall fall within the terms of reference of the shareholders' general meeting, have clear topics and specific resolutions, and comply with the relevant provisions of laws, administrative regulations and these Articles.

**Article 55** When the Company convenes a shareholders' general meeting, the Board of Directors, Audit Committee and shareholders individually or jointly holding 1% or more of the total voting shares of the Company are entitled to propose resolutions in writing to the Company.

Shareholders individually or jointly holding 1% or more of the shares of the Company are entitled to propose interim resolutions in writing to the Company and submit them to the convener 10 days before the meeting. The convener of the shareholders' general meeting shall issue a supplementary notice of the shareholders' general meeting within 2 days upon the receipt of such proposal and announce the contents of the interim proposals, and submit the interim proposals to the shareholders' general meeting for consideration, unless the interim proposals violate the laws, administrative regulations or the provisions of these Articles, or are not fall within the duties of the shareholders' general meeting.

Except as otherwise provided in the preceding paragraph and the securities regulatory rules of the place where the shares of the Company are listed, the convener shall not amend the proposals set out in the notice of the shareholders' general meeting or add new proposals after issuing the notice of the shareholders' general meeting. If the shareholders' general meeting is postponed due to the issuance of a supplementary notice of the shareholders' general meeting in accordance with the provisions of the securities regulatory rules of the place where the shares of the Company are listed, the convening of the shareholders' general meeting shall be postponed in accordance with the provisions of the securities regulatory rules of the place where the shares of the Company are listed. Proposals not set out in the notice of the shareholders' general meeting or not in compliance with the provisions of these Articles shall not be voted on or resolved at the shareholders' general meeting.

**Article 56** Where the Company convenes an annual shareholders' general meeting, a notice shall be given 20 days before the meeting by the convener in writing to notify each of the shareholders of the time and venue of the meeting and matters to be deliberated; in the case of an extraordinary shareholders' general meeting, it shall issue a notice in writing 15 days prior to the meeting to notify each of the shareholders.

**Article 57** The notice of a shareholders' general meeting shall include the following:

- (I) it shall specify the time, venue and date of the meeting;
- (II) it shall set out the matters and proposals to be considered at the meeting;

- (III) it shall contain conspicuously a statement that all shareholders eligible for attending the shareholders' general meeting may appoint a proxy in writing to attend and vote on his/her behalf and that a proxy need not be a shareholder;
- (IV) it shall specify the date for registration of the shareholding of the shareholders entitled to attend the shareholders' general meeting;
- (V) the permanent contact persons for the meeting and their contact information;
- (VI) time and procedures for voting online or by other means;
- (VII) other information provided by laws, administrative regulations, departmental rules and securities regulatory rules of the place where the shares of the Company are listed.

**Article 58** Where the shareholders' general meeting proposes to discuss the election of Directors, the notice of the shareholders' general meeting shall fully disclose the detailed information of the candidates for Directors, which shall at least include the following:

- (I) personal particulars such as educational background, work experience and part-time jobs;
- (II) whether there is any connected relationship with the Company or its controlling shareholders and de facto controller;
- (III) the number of shares held in the Company.

Each candidate for Director shall be proposed in a separate proposal.

**Article 59** After issuance of the notice for shareholders' general meeting, the shareholders' general meeting shall not be postponed or cancelled without proper reasons and the proposals specified in the notice shall not be withdrawn. In case of delay or cancellation, the convener shall make an announcement giving reasons at least 2 working days before the date when the meeting is convened.

## **Section 6 Holding of the Shareholders' General Meeting**

**Article 60** The Board and other conveners of the Company shall take necessary measures to ensure the normal order of the shareholders' general meeting. Measures shall be taken to stop acts that interfere with the shareholders' general meeting, provoke troubles and infringe the legitimate rights and interests of shareholders, and report to relevant authorities for investigation and punishment in a timely manner.

**Article 61** All shareholders registered on the date of registration for the shareholding or their proxies are entitled to attend and speak at the shareholders' general meeting, and exercise voting rights in accordance with the relevant laws, regulations and these Articles (unless an individual shareholder is required by the SEHK Listing Rules to abstain from voting on a particular matter).

Shareholders may attend a shareholders' general meeting in person, or may entrust other persons as his proxies to attend, speak and vote on his/her behalf.

**Article 62** The Company has the right to require individual shareholders attending the meeting in person to present their identity cards or other valid documents or proof of their identities as well as stock account cards; or to require the relevant persons entrusted by others to attend the meeting to present their valid identity cards and the power of attorney of the shareholders.

A corporate shareholder shall attend the meeting by its legal representative/executive partner (authorized representative) or a proxy appointed by the legal representative/executive partner (authorized representative). The Company shall have the right to require the legal representative/executive partner (authorized representative) attending the meeting to present his/her identity card and valid certificate that can prove his/her qualification as a legal representative/executive partner (authorized representative); if a proxy is appointed to attend the meeting, the Company shall have the right to require the proxy to present his/her identity card and a written power of attorney duly issued by the legal representative/executive partner (authorized representative) of the corporate shareholder, except for the shareholder who is a recognized clearing house and its agent as defined in the relevant ordinances in force from time to time under the laws of Hong Kong or the securities regulatory rules of the place where the shares of the Company are listed.

**Article 63** Any shareholder entitled to attend and vote at a shareholders' general meeting shall be entitled to appoint one or more persons (whether a shareholder or not) as his/her proxy to attend and vote on his/her behalf. If the member is a corporation, it may appoint a representative to attend and vote at any shareholders' general meeting of the issuer, and if such corporation is so represented, it shall be treated as being present at any meeting in person. A form of proxy may be signed by a duly authorized officer of the Company. According to the appointment of the shareholder, a proxy so appointed shall:

- (I) have the same right as the shareholder to speak at the shareholders' general meeting;
- (II) have the right to individually or jointly demand a poll;
- (III) have the right to vote by hand or on a poll, but when more than 1 proxy has been appointed, the proxies only have the right to vote on a poll.

**Article 64** The power of attorney issued by a shareholder to appoint a proxy to attend a shareholders' general meeting shall contain the following:

- (I) the name of the appointer and the name of the proxy;
- (II) the number and class of shares of the appointer represented by the proxy;
- (III) the right to vote;
- (IV) specific instructions from shareholders, including the instructions to vote for or against or abstain from voting on each matter to be considered at the shareholders' general meeting;
- (V) the date and validity period of the power of attorney;
- (VI) signature (or seal) of the appointer. If the appointer is a corporate shareholder, it shall be affixed with the seal of the corporate.

**Article 65** The form appointing a voting proxy shall be placed at the domicile of the Company or at such other place as specified in the notice of the meeting within 24 hours prior to the meeting at which the proxy is authorized to vote or 24 hours prior to the specified time of the voting. Where the instrument is signed by another person as authorized by the appointer, the power of attorney or other authorization document shall be notarized. The notarized power of attorney or other authorization document shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or at such other place as specified in the notice of the meeting.

Where the appointer is a legal person, its legal representative or a person authorized by the Board or other decision-making body shall be entitled to attend the shareholders' general meeting of the Company as the representative of such legal person.

Where the said shareholder is a recognized clearing house (or its agent) as defined in the relevant ordinance enacted from time to time in Hong Kong, the shareholder may authorize 1 or more persons as it thinks fit to act as its representative(s) at any shareholders' general meeting provided that, if more than 1 person is so authorized, the power of attorney shall clearly state the number and class of shares for which each person is so authorized and shall be signed by the authorized personnel appointed by the recognized clearing house. The persons so authorized may represent the recognized clearing house (or its agent) to exercise the rights at any meeting (without being required to present share certificate, notarized power of attorney and/or further evidence of due authorization), as if such person were an individual shareholder of the Company, and shall have the same legal rights as other shareholders, including the right to speak and vote.

**Article 66** Any proxy form issued to a shareholder by the Board of the Company for the purpose of appointing a proxy of shareholder shall be in such form which enables the shareholder, according to his/her free will, to instruct his/her proxy to vote in favour of or against the resolutions proposed and in respect of each individual matter to be voted on at the meeting. Such a proxy form shall contain a statement that in the absence of instructions by the shareholder, his/her proxy may vote as he/she thinks fit.

**Article 67** Where the appointer has deceased, incapacitated to act, withdrawn the appointment or the power of attorney, or where the relevant shares have been transferred prior to the voting, a vote given by the proxy in accordance with the power of attorney shall remain valid provided that no written notice of such event has been received by the Company prior to the commencement of the relevant meeting.

**Article 68** The attendance records of the meeting shall be prepared by the Company.

**Article 69** The convener shall verify the validity of the shareholders' qualifications based on the register of shareholders provided by the securities registration and clearing institution, and shall register the names of the shareholders and the number of their voting shares held. The registration for the meeting shall be completed before the chairman of the meeting announces the total number of voting shares held by shareholders and proxies attending the meeting on-site.

**Article 70** If a shareholders' general meeting requires the attendance of Directors or senior management members, the Directors or senior management members shall do so and answer shareholders' inquiries.

**Article 71** A shareholders' general meeting convened by the Board of Directors itself shall be chaired and presided over by the chairman of the Board of Directors. Where the chairman of the Board of Directors is unable or fails to fulfill the duties thereof, a Director elected by more than half of the Directors shall chair and preside over the meeting.

A shareholders' general meeting convened by the Audit Committee itself shall be presided over by the convener of the Audit Committee. Where the convener of the Audit Committee is unable or fails to fulfill the duties thereof, a member of the Audit Committee elected by more than half of the members of the Audit Committee shall chair the meeting.

A shareholders' general meeting convened by the shareholders themselves shall be chaired by a representative elected by the convening shareholders.

Where a shareholders' general meeting is held and the chairman of the meeting violates the rules of procedure which makes it difficult for the shareholders' general meeting to continue, a person may be elected at the shareholders' general meeting to act as the chairman and preside over the meeting so as to carry on with the shareholders' general meeting, subject to the approval of more than half of the attending shareholders having the voting rights. If no chairman of the meeting is elected by shareholders for any reason, the shareholder present at the meeting holding the largest number of voting shares (including his/her proxy) shall chair and preside over such meeting.

**Article 72** The Company shall formulate rules of procedure for the shareholders' general meeting to specify in detail the calling, convening and voting procedures of the shareholders' general meeting, including the notice, registration, consideration of proposals, voting, counting of votes, announcement of voting results, formation of resolutions, meeting minutes and signing thereof and announcement, as well as the principle of authorization by the shareholders' general meeting to the Board. The contents of authorization shall be clear and specific.

The rules of procedure of the shareholders' general meeting shall be formulated by the Board and approved by the shareholders' general meeting.

**Article 73** At the annual shareholders' general meeting, the Board of Directors shall report on their work over the previous year to the shareholders' general meeting.

**Article 74** Directors and senior management members shall provide explanations on the inquiries and suggestions made by shareholders at the shareholders' general meeting.

**Article 75** The presider of the meeting shall, prior to voting, announce the total number of voting shares held by the attending shareholders and their proxies. The total number of voting shares held by the attending shareholders and their proxies shall be subject to the registration of the meeting.

**Article 76** Minutes of the shareholders' general meetings shall be recorded by the secretary to the Board.

**Article 77** The minutes shall contain the following:

- (I) the time, place and agenda of the meeting and the name of the convener;
- (II) the names of the chairman of the meeting and the Directors and senior management members present at the meeting;

- (III) the total number of voting shares held by the shareholders and proxies present at the meeting and the proportion of such shares to the total number of shares of the Company;
- (IV) the consideration process, key points of speech and voting results of each proposal;
- (V) the shareholders' inquiries or suggestions and corresponding replies or explanations;
- (VI) the name of vote counters and scrutineers;
- (VII) other contents that shall be recorded in the meeting minutes as required by these Articles.

**Article 78** The convener shall ensure that the minutes are true, accurate and complete. The attending Directors, secretary to the Board, convener or his/her representative and the chairman of the meeting shall sign on the minutes of the meeting. The minutes of the meeting shall be kept together with the signature book of the attending shareholders, the power of attorney of the proxies and the valid information of voting via internet or by other means for a period of not less than 10 years.

**Article 79** The convener shall ensure that the shareholders' general meeting is held continuously until a final resolution is reached. If the shareholders' general meeting is suspended or no resolution can be made due to force majeure or other special reasons, necessary measures shall be taken to resume the shareholders' general meeting as soon as possible or terminate the shareholders' general meeting directly, and an announcement shall be made in a timely manner.

## **Section 7 Voting and Resolution of the Shareholders' General Meeting**

**Article 80** The resolutions of the shareholders' general meeting shall be classified as ordinary resolutions and special resolutions.

Ordinary resolutions put forward at the shareholders' general meeting shall be adopted by not less than half of shareholders (including their proxies) with voting rights attending the meeting.

Special resolutions put forward at the shareholders' general meeting shall be adopted by not less than two-thirds of the shareholders (including their proxies) with voting rights attending the meeting.

**Article 81** The following matters shall be approved by ordinary resolutions at a shareholders' general meeting:

- (I) work reports of the Board;
- (II) profit distribution plans and loss recovery plans formulated by the Board;
- (III) appointment and dismissal of the members of the Board, their remunerations and the method of payment thereof;
- (IV) matters other than those stipulated by laws, administrative regulations or these Articles to be approved by special resolutions.

**Article 82** The following matters shall be approved by special resolutions at a shareholders' general meeting:

- (I) increase or reduction in registered capital of the Company;
- (II) division, spin-off, merger, dissolution and liquidation of the Company;
- (III) amendment to these Articles;
- (IV) acquisition or disposal of material assets or provision of guarantee to others by the Company within one year with a value exceeding 30% of the latest audited total assets of the Company;
- (V) equity incentive schemes;
- (VI) any other matter specified in the laws, regulations, securities regulatory rules of the place where the shares of the Company are listed or these Articles, and confirmed by an ordinary resolution at a shareholders' general meeting that it may have material impact on the Company and accordingly shall be approved by special resolutions.

**Article 83** Shareholders (including proxies thereof) who vote at a shareholders' general meeting shall exercise their voting rights in proportion to the amount of voting shares they represent. Each share carries the right to one vote. During voting by ballot, the shareholders (including proxies thereof) with two or more votes need not cast all their votes in favour of or against, or to abstain from voting. However, the Company has no voting right for the shares it holds, and such part of shares shall be excluded from the total number of voting shares represented by the shareholders attending the shareholders' general meeting.

Where any shareholder is required to waive his/her voting rights or is restricted to cast only affirmative or dissenting vote on a certain issue in accordance with applicable laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed and the SEHK Listing Rules, any vote cast by the said shareholder or proxy thereof in violation of the relevant provisions or restrictions shall not be counted into the voting results.

**Article 84** When a connected transaction is considered at a shareholders' general meeting, the connected shareholders shall not vote, and the number of voting shares represented by them shall not be counted in the total number of valid votes. The resolutions of the shareholders' general meeting shall fully disclose the voting of non-connected shareholders.

A resolution on a connected transaction shall be passed by a majority of the number of shares with voting rights of the non-connected shareholders who are present at the shareholders' general meeting. However, in case of the connected transaction that involves matters specified in Article 82 of these Articles, such resolution at a shareholders' general meeting shall be passed by more than two-thirds of the voting rights held by non-connected shareholders attending the shareholders' general meeting.

**Article 85** The shareholders' general meeting shall vote on all proposals one by one. If there are different proposals for the same matter, voting shall be proceeded in the chronological order of the proposals being put forward. Other than special reasons such as force majeure that results in the interruption of the meeting or makes it impossible to come to resolution, the shareholders' general meeting shall not set aside any proposal and shall vote on them.

**Article 86** When considering a proposal, the shareholders' general meeting shall not revise it; if an amendment is made, it shall be deemed as a new proposal and may not be voted on during the shareholders' general meeting.

**Article 87** Voting at a shareholders' general meeting shall be taken by open ballot or other means as required by the securities regulatory rules of the place where the shares of the Company are listed.

A voting right shall be exercised only by one voting method including on-the-spot voting. If a voting right is exercised repeatedly, only the first exercise of the voting right is recognized.

**Article 88** The ending time of a physical shareholders' general meeting shall not be earlier than that of other access to the meeting. The chairman of the meeting shall announce the outcome and results of the vote on each proposal, and whether or not such proposal has been passed according to such voting results.

Prior to the formal announcement of voting results, the Company, vote counters, vote scrutineers, shareholders, network service providers (if any) and other related parties involved in the physical shareholders' general meeting or by other means, shall have an obligation to keep confidential details of the voting.

**Article 89** Shareholders who attend the shareholders' general meeting shall take one of the following stances when a resolution is put forward for voting: for, against or abstain. Save for the circumstance under which the securities registration and settlement institution acting as the nominal holder of shares under the Stock Connect between Mainland and Hong Kong, makes a declaration in accordance with the instruction of the de facto holders (if applicable).

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 90** In the event that the chairman of the meeting has any doubt as to the result of a resolution put forward to the vote, he or she may have the votes counted. In the event that the chairman of the meeting fails to have the votes counted, any shareholder present in person or by proxy objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the voting result, the chairman of the meeting shall have the votes counted immediately.

**Article 91** The resolutions of the shareholders' general meeting shall be announced in a timely manner in accordance with the relevant laws, administrative regulations and the securities regulatory rules of the place where the shares of the Company are listed. The announcement shall specify the total number of voting shares held by the attending shareholders and their proxies and the percentage of the total number of voting shares of the Company, the voting method, the voting results of each proposal and the details of each resolution passed.

**Article 92** In the event that a proposal is not passed, or a resolution passed at a previous shareholders' general meeting is modified at the shareholders' general meeting, a special note shall be made in the announcement on resolutions of the shareholders' general meeting in accordance with the relevant laws, administrative regulations and the securities regulatory rules of the place where the shares of the Company are listed.

**Article 93** Where a proposal on the election of Directors is passed at a shareholders' general meeting, the term of office of the newly appointed Directors shall commence at the time determined in the resolution of the shareholders' general meeting.

**Article 94** Where a proposal in relation to the payment of cash dividends, the issue of bonus shares or the capitalization of capital reserves has been passed at a shareholders' general meeting, the Company shall implement such proposal in accordance with laws, regulations and the securities regulatory rules of the place where the shares of the Company are listed.

**Article 95** Shareholders may have access to copies of the meeting minutes free of charge during the office hours of the Company. If any shareholder asks for copies of such minutes, the Company shall send out the said copies within 7 days after receipt of reasonable expenses.

## CHAPTER 5 BOARD OF DIRECTORS

### Section 1 Directors

**Article 96** Directors of the Company shall be natural persons. A person shall not serve as a Director of the Company if:

- (I) he/she has no capacity or has limited capacity for civil conduct;
- (II) he/she has been sentenced to any criminal penalty due to an offence of corruption, bribery, encroachment of property, misappropriation of property or disrupting the economic order of the socialist market; or he/she has ever been deprived of his/her political rights due to any crime and 5 years have not elapsed since the completion date of the execution of the penalty, or in the case of a suspended sentence, where less than 2 years have lapsed since the date of expiration of the probation period;
- (III) he/she was the Director, factory manager or manager of a company or enterprise which had been bankrupted and liquidated, and was personally liable for the bankruptcy of the company or enterprise, where less than 3 years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;
- (IV) he/she was the legal representative of a company or enterprise which had its business license revoked and was ordered to close down due to illegal activities and was personally liable for such illegal activities, where less than 3 years have elapsed since the date when the business license of the company or enterprise was revoked or the date such company or enterprise has been ordered to close down;
- (V) he/she has been listed by the People's Court as a judgement defaulter due to a relatively large amount of overdue debt;
- (VI) he/she are banned by the CSRC from entering into the securities market for a period which has not yet expired;

- (VII) he/she is publicly declared by a stock exchange as unsuitable to serve as a Director and senior management member of a listed company for a period which has not yet expired;
- (VIII) other circumstances as stipulated by the laws, administrative regulations, departmental rules or securities regulatory rules of the place where the shares of the Company are listed.

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

**Article 97** Directors shall be elected or replaced at shareholders' general meetings, and can be removed from their office prior to the expiry of their term by the shareholders' general meeting. Directors' term shall be three years. At the expiry of such term of office, the term is renewable upon re-election.

The term of a Director shall start from the date on which the said Director assumes office until the expiry of the term of the prevailing session of the Board. If the term of office of a Director has expired but re-election is not timely made, or the said Director has resigned within his/her term of office, resulting in the numbers of members of the Board falls short of the quorum, the said Director shall continue to perform his/her duties as Director pursuant to relevant laws, administrative regulations, departmental rules and these Articles until a new Director is elected.

A Director may serve concurrently as general manager or other senior management member, but the Directors serving concurrently as such and the Directors being employees' representatives shall not be more than half of the Directors of the Company.

**Article 98** Directors shall abide by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed and these Articles, and shall faithfully fulfil the following obligations to the Company:

- (I) shall not misappropriate the properties of the Company and misappropriate the funds of the Company;
- (II) shall not set up accounts in his/her own name or in the name of any other person for the purpose of depositing any of the funds of the Company;
- (III) shall not abuse his/her position to give bribes or accept other illegal income;
- (IV) shall not enter into contracts or carry out transactions, directly and indirectly, with the Company without reporting to the Board of Directors or the shareholders' general meeting and obtaining approval through resolutions by the Board of Directors or the shareholders' general meeting as stipulated in these Articles;
- (V) shall not abuse his/her position to seize business opportunities for himself/herself or for other persons which should belong to the Company, unless such business opportunities are not available to the Company upon reporting to the Board of Directors or the shareholders' general meeting and obtaining approval through resolutions by the shareholders' general meeting or as required in laws, administrative regulations and these Articles;

- (VI) shall not operate a business similar to that of the Company for himself/herself or for other persons without reporting to the Board of Directors or the shareholders' general meeting and obtaining approval through resolutions by the shareholders' general meeting;
- (VII) shall not misappropriate commissions derived from transactions entered into by others and the Company;
- (VIII) shall not disclose confidential information of the Company without permission;
- (IX) shall not abuse his related (connected) relationship with the Company to jeopardize the interests of the Company;
- (X) other faithful obligations as required by the laws, regulations, departmental rules and these Articles.

Any income derived by a Director in violation of the provisions of this article shall belong to the Company. The Director shall be liable to indemnify the Company against any loss incurred.

The provisions of the item (IV) of the first paragraph of this Article shall apply to the conclusion of contracts or engagement in transactions with the Company by close relatives of the Directors and senior management members, enterprises directly or indirectly controlled by the Directors and senior management members or their close relatives, as well as persons who are otherwise related to the Directors and senior management members.

**Article 99** Directors shall comply with the laws, administrative regulations and these Articles, and shall bear the following obligations of diligence to the Company. They shall fulfill their obligations with reasonable care generally due to managers in the best interests of the Company. Directors bear the following obligations of diligence to the Company:

- (I) shall exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the State's laws, administrative regulations and requirements of the State's economic policies, not exceeding the scope of business specified in the Company's business license;
- (II) that all shareholders shall be treated impartially;
- (III) master the operation and management conditions of the Company in due time;
- (IV) sign the written confirmation opinions for the regular reports of the Company, to ensure that the information disclosed by the Company is true, correct and complete;
- (V) they shall honestly provide the Audit Committee with relevant information, and not to interfere with the Audit Committee or its members in performing their duties and powers;
- (VI) they fulfil other due diligence obligations as stipulated by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed and these Articles.

**Article 100** If any Director fails to attend Board meetings in person or by proxy for 2 consecutive times, the said Director shall be deemed incapable of performing his/her duties, and the Board shall suggest that the shareholders' general meeting dismiss the said Director.

**Article 101** A Director may resign before expiration of his term of office. The resigning Director shall submit a written resignation to the Board of Directors.

In the event that the resignation of any Director results in the number of members of the Board of Directors to be less than the statutory minimum requirement, the said Director shall continue to perform duties as Director pursuant to the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed and these Articles until a new Director is elected and assumes his/her office.

Save for the circumstances set out in the preceding paragraph, the resignation of a Director shall become effective upon submission of his resignation to the Board of Directors.

Subject to the relevant laws and regulations, and the regulatory rules of the local authority where the Company's shares are listed, any person appointed by the Board of Directors to fill a casual vacancy on the Board of Directors or as an addition to the Board of Directors shall hold office only until the first annual shareholders' general meeting after his/her appointment and shall then be eligible for re-election.

**Article 102** If resignation of a Director takes effect or his/her term of office expires, the said Director shall go through all handover formalities with the Board of Directors. His/her obligation of integrity to the Company and shareholders shall not terminate automatically at the expiry of his/her term and shall still be valid within the reasonable period specified in these Articles. The obligations that Directors should bear for performing their duties during their term of office shall not be exempted or terminated due to their resignation.

**Article 103** If any Director leaves his/her office without authorization or violates the laws, administrative regulations, departmental rules or these Articles in fulfilling his/her duties before his/her term of office expires, thereby incurring any loss to the Company, the said Director shall be liable for compensation.

**Article 104** Save as specified in these Articles or duly authorized by the Board, no Director shall act on behalf of the Company or the Board in his/her own name. If a Director acts in his/her own name but a third party may reasonably think the said Director is acting on behalf of the Company or the Board, the said Director shall make a prior statement of his/her standpoint and capacity.

## Section 2 Board of Directors

**Article 105** The Company shall have a Board of Directors, which shall be accountable to the shareholders' general meeting. The Board of Directors shall comprise 11 Directors. The Board shall have one chairman. The chairman shall be appointed and could be removed by a majority of all members of the Board. The chairman shall serve a term of 3 years subject to reelection.

The number of independent Directors, at any time, shall be at least 3 and represent more than one third of members of the Board, and at least one of the independent Directors must have appropriate professional qualifications or accounting or related financial management expertise. Unless otherwise provided by relevant laws, regulations and the listing rules of the stock exchange of the place where the Company's shares are listed, an independent Director shall serve a term of 3 years and is eligible for re-election. The maximum consecutive term of office of the independent Directors shall be determined in accordance with the relevant laws, regulations and the listing rules of the stock exchange on which the Company's shares are listed.

Directors need not hold shares of the Company.

**Article 106** The Board shall exercise the following functions and powers:

- (I) to convene the shareholders' general meeting, and report its work to the shareholders' general meeting;
- (II) to implement the resolutions passed at the shareholders' general meeting;
- (III) to determine the business plans and investment proposals of the Company;
- (IV) to prepare the annual financial budget and final accounts of the Company;
- (V) to prepare the plans for profit distribution and plans for making up losses of the Company;
- (VI) to formulate proposals for increases or reductions of the Company's registered capital and the proposals for issue of corporate debentures or other securities, and for listing;
- (VII) to formulate proposals for material acquisition, repurchase of the Company's shares, or merger, division, dissolution, and change of corporate form of the Company;
- (VIII) to determine the Company's external investments, acquisition and disposal of assets, pledging of assets, external guarantee, entrusted wealth management, connected transactions and external donations within the scope of authorization by the shareholders' general meeting;
- (IX) to determine the establishment of the internal management structure of the Company;
- (X) to determine the establishment of special committees of the Board of Directors and to consider and approve the proposals proposed by each special committee of the Board of Directors;
- (XI) to determine the appointment or dismissal of the general manager, the secretary to the Board of the Company and other senior management members, and determine their remunerations, rewards and punishments; and according to the nomination by the general manager, to determine the appointment or dismissal of other senior management members such as the deputy general manager and the chief financial officer of the Company, and determine their remunerations, rewards and punishments;
- (XII) to establish the basic management system of the Company;
- (XIII) to draw up proposals for the amendment to these Articles;
- (XIV) to manage the matters of information disclosure of the Company;
- (XV) to propose at the shareholders' general meetings the appointment or changes of accounting firm;
- (XVI) to be informed of working reports of the senior management members of the Company and to examine the work of the senior management members of the Company;

(XVII) to exercise other functions and powers conferred by the laws, administrative regulations, department rules, securities regulatory rules of the place where the Company's shares are listed or these Articles or the shareholders' general meetings.

Matters beyond the authorization of the shareholders' general meeting shall be submitted at the shareholders' general meeting for approval.

**Article 107** The Board of Directors shall formulate the rules of procedures for meetings of the Board of Directors to ensure implementation of the resolutions of the shareholders' general meeting, improve the efficiency of work and ensure scientific decision-making.

The rules of procedures for meetings of the Board of Directors shall be formulated by the Board of Directors and approved by the shareholders' general meeting.

**Article 108** The chairman of the board shall exercise the following functions and powers:

- (I) to preside over shareholders' general meetings and to convene and preside over Board meetings;
- (II) to examine the implementation of the resolutions of the Board;
- (III) to exercise other functions and powers specified in laws, administrative regulations, departmental rules, these Articles or granted by the Board resolutions.

Where the chairman cannot or fails to perform the duty thereof, more than half of the Directors shall jointly elect a Director to fulfil the said duty.

**Article 109** The Board shall hold at least 4 regular meetings a year and shall be convened by the chairman. Written notice shall be given to all Directors at least 14 days before the meeting is held.

In any of the following circumstances, the chairman shall convene an extraordinary Board meeting within 10 days after receipt of the proposal:

- (I) proposed by shareholders representing more than one tenth of the voting rights;
- (II) proposed by more than one third of the Directors jointly;
- (III) proposed by the Audit Committee.

**Article 110** A notice of Board meeting shall be served to all the Directors 14 days in advance in the event of a regular meeting or 5 days in advance in the event of an extraordinary meeting. The responsible department of the Company shall serve a written meeting notice to all the Directors by direct delivery, fax, mail, express mail or other electronic communication means. If service is made indirectly, confirmation shall be made by telephone and the appropriate record thereof shall be made.

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

**Article 111** The notice of the meeting of the Board shall consist of the following:

- (I) date and venue of the meeting;
- (II) period of the meeting;
- (III) causes and issues of discussion;
- (IV) date of issuance of notice;
- (V) other essential contents as stipulated by the laws, regulations and securities regulatory rules of the place(s) where the Company's shares are listed.

**Article 112** Notice of meeting shall be deemed to have been served to any Director who attends the meeting without raising any objection before or during the meeting that he/she has not received the notice of meeting.

Regular or extraordinary Board meetings may be convened in the form of teleconference or with the help of other communications equipment provided that the attending Directors are able to hear clearly the Directors who speak at the meetings and communicate amongst themselves. All the attending Directors shall be deemed as having attended the meeting in person.

**Article 113** A Board meeting shall be attended by more than half of the Directors.

Unless under exceptional circumstances specified in the regulatory rules of the place where the shares of the Company listed or otherwise permitted by the Hong Kong Stock Exchange, a Director shall not vote on any resolution of the Board which approves any contract or arrangement or any other relevant proposals where he or his close associates (as defined in the SEHK Listing Rules as applicable from time to time) own a material interest; and shall not be included for determining whether there is a quorum for the meeting.

Every Director shall have the right to 1 vote. Save as otherwise specified in laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed or these Articles, resolutions made by the Board shall be passed by more than half of all Directors.

If any Director is associated with the enterprises that are involved in the matters to be resolved by the Board meetings, he/she shall not exercise his/her voting rights for such matters, nor exercise voting rights on behalf of other Directors. Such Board meetings may not be held unless attended by more than half of all the non-associated Directors, and resolutions adopted at such meetings shall be passed by more than half of all the non-associated Directors. Where the number of the non-associated Directors attending the Board meetings is less than 3, the matters shall be submitted to the shareholders' general meeting for deliberation.

**Article 114** Resolutions of the Board meetings shall be voted by way of open ballot or other voting method as permitted by the laws and regulations and the regulatory rules in the place(s) where the shares of the Company are listed.

**Article 115** Upon approval by the convener or chairman, an extraordinary Board meeting may be convened and resolutions may be adopted at the meeting via video, telephone or written communication, provided that Directors are able to fully express their opinions, and the resolution adopted at the meeting shall be signed by the attending Directors. Board meetings may also be convened on site and by other means simultaneously. So long as the Directors attending the meeting in person can clearly hear what he or she says and communicate with him or her, all the Directors in attendance shall be deemed to have attended the meeting in person.

**Article 116** Directors shall attend Board meetings in person. Where any Director cannot attend the meetings for any reason, he/she may authorize in writing another Director to attend the meetings on his/her behalf, with the power of attorney shall state the name of the proxy, the matters represented, scope of authorization and validity period, and shall be signed or sealed by the principal.

The Director attending the meetings on behalf of another Director shall exercise rights within the scope of authorization. Where a Director is not present at a Board meeting and fails to appoint a proxy to act on his/her behalf, the said Director is deemed to have waived his/her rights to vote at the meeting.

**Article 117** In respect of any important issue to be decided by the Board, a notice and adequate information shall be sent to all the Directors before the deadline specified in these Articles, in strict accordance with the specified procedure. Directors may require providing supplementary information. If more than one fourth of the Directors or more than 2 independent Directors think they cannot make judgments on relevant issues because the documents are inadequate or for other reasons, they can jointly propose to adjourn the Board meeting or suspend considering some issues, and the Board shall approve such proposal.

**Article 118** The Board may adopt written proposal in lieu of Board meeting, but the draft of the said proposal shall be sent to every Director by direct delivery, mail, fax or e-mail. If the proposal has been sent to all the Directors by the Board, and the number of the Directors who have signed the proposal sent to the secretary to the Board by the aforesaid means satisfies the statutory quorum, the said proposal shall be deemed to be a resolution of the Board and have the same legal effect as a resolution passed at a Board meeting held in accordance with the procedures specified in relevant provisions of these Articles.

**Article 119** The Board shall file resolutions of the meeting as minutes, which shall be signed by the attending Directors and the minutes recorder.

The minutes of Board meetings shall be kept as company files for a period of no less than 10 years.

**Article 120** The minutes of Board meetings shall consist of the following:

- (I) the session of the Board to hold the meeting, the date, venue and method for the convening of meeting;
- (II) the issue of the notice of the meeting;
- (III) the convener and the chairman of the meeting;
- (IV) the name of the Director present and name of Director (proxy) being appointed to attend on the other's behalf;

- (V) the agenda of the meeting;
- (VI) the main points of the statements of Directors;
- (VII) the voting method and result for each resolution (the voting results shall clearly state the number of votes for or against the resolution or abstention);
- (VIII) other matters required to be included in the meeting minutes by the Directors present.

The Directors shall be responsible for the resolutions passed at Board meetings. Any Director who votes for a resolution of the Board which runs counter to the laws, administrative regulations or these Articles, thereby causing serious losses to the Company, shall be liable for compensation to the Company; however, a Director who has been proved as having expressed dissenting opinions on the resolution and such opinions are recorded in the minutes of the meeting can be exempt from liability.

### **Section 3 Independent Directors**

**Article 121** Independent Directors shall conscientiously perform their duties and responsibilities in accordance with the provisions of laws, administrative regulations, the CSRC, the stock exchange of the place where the shares of the Company are listed and these Articles, play a role in participating in decision-making, supervision and checks and balances, professional consultation in the Board of Directors, safeguard the overall interests of the Company and protect the legitimate rights and interests of the minority shareholders.

The Company shall have at least one independent Director who is also an accounting professional. Independent Directors shall honestly fulfil their duties, and protect the interests of the Company, in particular prevent encroachment of the legitimate rights and interests of public shareholders, to ensure the sufficient representation of the interests of all shareholders.

**Article 122** A person appointed as an independent Director of the Company shall satisfy the following conditions:

- (I) possessing the qualification to serve as a Director of a listed company in accordance with laws, administrative regulations and other relevant regulations;
- (II) complying with the independence requirement set out in the listing rules of the stock exchange of the place where the shares of the Company are listed and these Articles;
- (III) having the basic knowledge of the operation of listed companies and being familiar with the relevant laws, regulations and rules;
- (IV) having working experience in law, accounting, economics or other fields as required for performing the duties and responsibilities of an independent Director;
- (V) having good personal integrity, without material breach of trust or other adverse records;
- (VI) any other conditions set out in laws, administrative regulations, the provisions of the CSRC, the regulatory rules of the stock exchange of the place where the shares of the Company are listed, the business rules of the stock exchange and these Articles.

**Article 123** As a member of the Board, any independent Director shall bear the obligations of honesty and diligence to the Company and all shareholders, and prudently perform the following duties and responsibilities:

- (I) participating in the decision-making process of the Board and expressing clear opinions on matters under discussion;
- (II) overseeing potential material conflicts of interest between the Company and its controlling shareholders, de facto controller, Directors or senior management members to protect the legitimate rights and interests of the minority shareholders;
- (III) providing professional and objective advice on the operation and development of the Company to improve the decision-making of the Board;
- (IV) other duties and responsibilities provided by laws, administrative regulations, the CSRC, the regulatory rules of the stock exchange of the place where the shares of the Company are listed and these Articles.

**Article 124** In addition to the functions and powers conferred by the Company Law and other relevant laws and regulations, the listing rules of the stock exchange of the place where the shares of the Company are listed and these Articles, independent Directors shall also exercise the following special functions and powers:

- (I) to independently engage intermediaries to conduct audit, consultation or verification on specific affairs of the Company;
- (II) to propose to the Board the convening of an extraordinary shareholders' general meeting;
- (III) to propose the convening of a Board meeting;
- (IV) other functions and powers provided by laws, administrative regulations, the CSRC, the regulatory rules of the stock exchange of the place where the shares of the Company are listed and these Articles.

The exercise by independent Directors of the functions and powers listed in items (I) to (III) of the preceding paragraph is subject to the approval of more than half of all independent Directors.

**Article 125** For matters in relation to the system of independent Directors not covered in this section, the relevant laws, administrative regulations, departmental rules and the regulatory rules of the stock exchange of the place where the shares of the Company are listed shall apply.

**Article 126** Unless otherwise provided by laws, administrative regulations and these Articles, the provisions concerning Directors in Section 1 of these Articles above shall apply to independent Directors.

#### Section 4 Special Committees under the Board

**Article 127** Under the Board are 3 special committees, i.e. the Audit Committee, the Remuneration Committee and the Nomination Committee, whose composition and rules of procedures are resolved separately by the Board.

The Board may establish other special committees as necessary. These special committees are ad hoc committees under the Board. The special committees shall be accountable to the Board, and shall perform their duties in accordance with these Articles and the authorization from the Board. Proposals shall be submitted to the Board for consideration and approval. All members of the special committees shall be Directors. The special committees shall not make any decision in the name of the Board. However, the committees may exercise decision-making power in respect of the authorized matters in accordance with a special power given by the Board. The Board is responsible for formulating the terms of reference for each special committee, governing the operation of such special committee.

**Article 128** The Board of the Company shall establish an Audit Committee to exercise the functions and powers of the Board of Supervisors and the Audit Committee provided in the Company Law.

**Article 129** The Audit Committee shall comprise at least 3 members who are Directors not serving as senior management members of the Company. Independent Directors shall constitute a majority of the Audit Committee and the one possessing accounting expertise shall act as the convener.

**Article 130** The Audit Committee shall be responsible for reviewing the financial information of the Company and its disclosure, supervising and evaluating internal and external audit work and internal controls, and exercising the relevant functions and powers provided in the rules of the stock exchange of the place where the shares of the Company are listed and these Articles.

**Article 131** The Audit Committee shall convene regular meetings twice annually. Extraordinary meetings may be convened upon the proposal of two or more members, or when deemed necessary by the convener. Meetings of the Audit Committee shall only be held with the attendance of no less than two-thirds of its members.

Resolutions of the Audit Committee shall be passed by more than half of its members.

Voting on resolutions of the Audit Committee shall be conducted on a one-member-one-vote basis.

Minutes shall be prepared in respect of resolutions of the Audit Committee in accordance with regulations, and attending members shall sign on the minutes.

The Board shall be responsible for formulating the work procedures of the Audit Committee.

**Article 132** The special committees may engage intermediary organizations to provide independent professional advice, and the relevant expenses therefor shall be borne by the Company.

## **CHAPTER 6 SENIOR MANAGEMENT MEMBERS**

**Article 133** The Company shall have a secretary to the Board, who shall be a senior management member of the Company.

**Article 134** The secretary to the Board of the Company shall be a natural person with requisite expertise and experience, and shall be nominated by the chairman of the Board and appointed or removed by the Board. His/her major duties are:

- (I) to ensure that the Company has complete organizations documents and records; to keep and manage shareholders' information; to assist the Directors in addressing the routine tasks of the Board, to keep the Directors informed and alerted about any regulations, policies and other requirements of domestic and foreign regulators concerning operations of the Company and to ensure they understand the above matters, to assist the Directors and the general manager observe domestic and foreign laws and regulations as well as these Articles and other relevant regulations in a proper manner when performing their duties and powers;
- (II) to organize and arrange for Board meetings and shareholders' general meetings, prepare meeting materials, handle relevant meeting affairs, keep minutes of the meetings and ensure their accuracy, prepare and keep meeting documents and minutes, take initiative to keep abreast of the implementation of relevant resolutions, and report important issues occurring during the implementation to the Board and give relevant advice to the Board;
- (III) to ensure that the material matters resolved by the Board of the Company to be carried out strictly in accordance with the procedures as stipulated. According to the requirements of the Board, to participate in the consultation and analysis of the matters to be considered by the Board and to offer relevant opinions and suggestions. To handle the day-to-day tasks of the Board and its committees as authorized;
- (IV) as the liaison of the Company with the securities regulatory authorities, to be responsible for organizing, preparing and timely submitting the documents required by the regulatory authorities as well as accepting and organizing the implementation of relevant assignment from the regulatory authorities;
- (V) to be responsible for coordinating and organizing the Company's information disclosure, establishing and improving the information disclosure system, attending all of the Company's meetings involving information disclosure, and keeping informed of the Company's material operation decisions and related information in a timely manner;
- (VI) to be responsible for keeping price-sensitive information of the Company confidential and to work out effective and practical confidentiality systems and measures. Where there is any leakage of price-sensitive information of the Company due to any reason, to take necessary remedial measures; to make timely explanation and clarification, and to notify the stock exchange of the place where the Company's shares are listed and the CSRC;
- (VII) to be responsible for coordinating reception of visitors, to keep in touch with news media, to be responsible for coordinating replies to inquiries from the public, to handle the relations with intermediary agencies, regulatory authorities and media, and to report to the CSRC;
- (VIII) to ensure that the register of shareholders of the Company is established appropriately and that the persons who have the right of access to the relevant records and documents of the Company obtain the same in due time;

- (IX) to assist Directors and the general manager in duly complying with the domestic and foreign laws, regulations, these Articles and other requirements in the course of discharging their duties, and upon becoming aware that the Company has passed or may pass resolutions which are in breach of the relevant regulations, to be obliged to remind the Board in a timely manner, and to be entitled to report such matter to the CSRC and other regulatory authorities;
- (X) to coordinate the provision of the information necessary for the Audit Committee of the Company and other audit agencies to discharge their supervision duties, and to assist in carrying out investigations on the performance of the financial controller, Directors and the general manager of the Company of their fiduciary duties;
- (XI) to exercise other functions and powers as conferred by the Board, as well as other functions and powers as required by the stock exchange of the place where the Company's shares are listed.

**Article 135** A Director or senior management member of the Company may serve concurrently as secretary to the Board of the Company. The accountants of the accounting firm appointed by the Company and managers of controlling shareholders shall not serve concurrently as secretary to the Board of the Company.

In the event that a Director serves concurrently as secretary to the Board of the Company, where any act requires to be executed by the Director and the secretary to the Board of the Company separately, the said Director serving concurrently as secretary to the Board of the Company shall not execute the said act in both capacities.

**Article 136** The Company shall have one general and several deputy general managers who shall be nominated by the general manager and appointed or dismissed by the Board. A Director may serve concurrently as senior management members.

**Article 137** The general manager shall serve a term of 3 years, and may be reelected for successive terms.

**Article 138** The general manager shall be accountable to the Board and exercise the following functions and powers:

- (I) to be in charge of the Company's production, operation and management, to organize and implement the resolutions of the Board and to report his/her work to the Board;
- (II) to organize and implement the Company's annual plan and investment scheme;
- (III) to prepare a plan for establishing internal governing bodies of the Company;
- (IV) to draft the Company's basic management system;
- (V) to formulate fundamental rules and regulations for the Company;
- (VI) to propose to the Board to appoint or dismiss the other senior management members of the Company in accordance with these Articles and the relevant internal control system of the Company;

- (VII) to decide to appoint or dismiss managers and general employees other than those appointed or dismissed by the Board according to these Articles and the Company's relevant internal control system;
- (VIII) to propose to convene an extraordinary Board meeting;
- (IX) to decide on the Company's other issues within the scope authorized by the Board;
- (X) to decide on such projects as investment, acquisition or disposal and financing which do not need to be decided by the Board or the shareholders' general meeting;
- (XI) to exercise other functions and powers as conferred by these Articles and the Board.

Senior management members other than the general manager shall assist the general manager in his/her works, and may exercise part of the functions and powers entrusted by the general manager.

**Article 139** The general manager shall be present at Board meetings, and if he/she is not a Director, shall not have any voting right at Board meetings.

**Article 140** In the exercise of their functions and powers, the general manager and senior management members shall fulfil the obligation of honesty and diligence in accordance with laws, administrative regulations and these Articles.

**Article 141** The circumstances set out in Article 96 of the Articles disqualifying a person as Director shall also apply to senior management members.

The provisions on Directors' obligations of honesty under Article 98 of the Articles and provisions on Directors' obligations of diligence under item (IV), item (V) and item (VI) of Article 99 shall also apply to senior management members.

**Article 142** The general manager may tender his/her resignation before the expiry of his/her term of office. The specific procedures and methods concerning the resignation of the general manager shall be provided in his/her employment contract.

**Article 143** Deputy general managers and the financial officer shall be nominated by the general manager, and appointed or removed by the Board. Deputy general managers and the financial officer shall assist the general manager, and also be accountable and report to the general manager.

**Article 144** Senior management members of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If any senior management member of the Company causes damage to the interests of the Company and its public shareholders due to failure in faithfully performing his/her duties or violation of his/her fiduciary duties, the said senior management member shall be liable to compensate the Company.

## CHAPTER 7 FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

### Section 1 Financial and Accounting System

**Article 145** The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the provisions stipulated by the relevant PRC authorities.

**Article 146** The Company shall adopt the Gregorian calendar year for its accounting year, i.e. the accounting year shall be from 1 January to 31 December.

At the end of each accounting year, the Company shall prepare a financial report which shall be audited by accounting firm according to law.

The financial statements of the Company shall, in addition to being prepared in accordance with the PRC accounting standards and regulations, be prepared in accordance with the accounting standards of the place where the Company's shares are listed overseas. If there are any material differences between the financial statements prepared in accordance with the two accounting standards, such differences shall be stated in the notes to the financial statements. When distributing its after-tax profits of the relevant accounting year, the lower of the after-tax profits in the aforesaid financial statements prepared under two standards shall applies.

**Article 147** The Board of the Company shall place before the shareholders at annual shareholders' general meeting the financial reports prepared by the Company as required by the relevant laws, administrative regulations and regulatory documents promulgated by local government or regulatory authorities.

**Article 148** The Company shall not set up other account books except for the statutory account books. No assets of the Company may be deposited into any individual's account.

**Article 149** The Company's financial reports shall be made available for shareholders' inspection at the Company 20 days before the date of the annual shareholders' general meeting. Every shareholder of the Company shall have the right to receive a copy of such financial reports mentioned in this chapter.

The financial report mentioned in the preceding paragraph shall include report of the Directors and the balance sheet (including all other documents to be attached in accordance with the requirements of the PRC laws, other laws, and administrative regulations), the profit and loss statement (the income statement) or the statement of income and expense (the statement of cash flow) or (under the condition of no violation of the PRC laws) summary financial reports approved by the Hong Kong Stock Exchange.

The Company shall deliver such financial report (including every document required by laws and regulations to be annexed to the balance sheet) to every holder of its H shares in person or by prepaid mail at the addresses of such shareholders as recorded in the share register no less than 20 days before the date of the annual shareholders' general meeting.

The Company can proceed by way of announcements, including announcement via the Company's website, on condition that such announcements are in compliance with the laws, administrative regulations, departmental rules and the relevant requirements of the securities regulatory authority of the place where the Company's shares are listed.

**Article 150** The Company shall announce two financial reports each accounting year, i.e. interim financial report announced within 60 days after the end of the first 6 months of the accounting year and the annual financial report announced within 120 days after the end of the accounting year.

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

## Section 2 Profit Distribution

**Article 151** When distributing the after-tax profits of the current year, the Company shall allocate 10% of its profits into its statutory reserve fund. When the cumulated amount of the statutory reserve fund of the Company has reached 50% or more of its registered capital, no further allocation is required.

Where the statutory reserve fund of the Company is insufficient to make up for the losses of the Company incurred during the previous years, before making allocation to the statutory reserve fund in accordance with the preceding paragraph, the profits generated during the current year shall be used to make up for such losses.

After making allocation to the statutory reserve fund of the Company from its after-tax profits, the Company may, subject to resolutions adopted at a shareholders' general meeting, also allocate funds from the after-tax profits to the discretionary reserve fund.

After making up for the losses and making contributions to the reserve fund, any remaining after-tax profits shall be distributed by the Company to the shareholders in proportion to their respective shareholdings, unless these Articles provide that distributions are to be made otherwise than proportionally.

If the shareholders' general meeting has distributed profits to the shareholders in violation of the Company Law, or 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.

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

**Article 152** The reserve fund of the Company can be applied to the areas where permitted by applicable State laws and regulations, including making up for losses of the Company, expansion of the Company's production and operation or capitalization for capital increase of the Company.

To make up for losses of the Company, the discretionary reserve fund and the statutory reserve fund shall be used first; if still insufficient, the capital reserve fund may be used in accordance with regulations.

Where the statutory reserve fund is converted to increase the registered capital, the balance of such reserve fund shall not fall below 25% of the Company's registered capital prior to such conversion.

**Article 153** The Company may distribute dividends in the form of (or a combination of both):

- (I) cash;
- (II) shares.
- (III) Other means permitted by laws and regulations and the regulatory rules of the place(s) where the Company's shares are listed.

**Article 154** Any amount paid up in advance of calls on any share may carry interest but shall not entitle the relevant shareholder to participate in respect thereof in a dividend subsequently declared.

**Article 155** The Company shall appoint a payment receiving agent for holders of H shares in Hong Kong. The payment receiving agent shall receive on behalf of such shareholders any dividends or other amounts payable by the Company to them in respect of the H shares, and such payment shall be kept by the payment receiving agent on such shareholders' behalf for any payment to them.

The payment receiving agent appointed by the Company shall satisfy the requirements under the laws of the place where the Company's shares are listed or the rules of the relevant stock exchange.

Subject to the relevant laws and regulations of the PRC, and requirements of the Hong Kong Stock Exchange, the Company may exercise its right to confiscate the dividends which are not claimed by anyone, but such right can only be exercised after the expiration of relevant period.

The Company has the power to cease sending dividend warrants by post to a holder of H shares, provided that such power shall not be exercised until such dividend warrants have been so left uncashed on two consecutive occasions. However, the Company may exercise such right when the dividend warrants have failed to be delivered initially and after the dividend warrants have been returned.

In relation to the exercise of right to issue warrants to unregistered bearer, no warrant thereof shall be issued to replace the one that has been lost unless the Company is satisfied beyond reasonable doubt that the original warrant thereof has been destroyed. The Company has the right to sell the shares of holders of H shares with whom it loses contact, in a manner as its Board deems appropriate, subject to the following conditions:

- (I) Dividends of such shares have been declared for at least three times within a 12-year period and the dividends have not been claimed by anyone during such period; and
- (II) Upon expiry of the 12-year period, the Company publishes an announcement on one or more newspapers in the place where the Company is listed, stating its intention to sell the shares, and notifies the Hong Kong Stock Exchange of such intention.

**Article 156** The Company shall pay dividends in foreign currencies or RMB in accordance with administrative regulations on foreign exchange and cross-border RMB.

**Article 157** Unless otherwise provided in the relevant laws or administrative regulations, if the cash dividends and other monies are to be paid in Hong Kong dollars, the Company shall adopt the average offer price of the relevant foreign exchange quoted by the People's Bank of China prevailing a calendar week before the date on which the dividends and other monies are declared.

When the Company distributes dividends to shareholders, it shall withhold and pay the tax payables on the dividend income of shareholders based on the amount distributed in accordance with the provisions of Chinese tax laws.

**Article 158** The Board of the Company shall complete the distribution of dividends (or shares) within a reasonable period after convening a shareholders' general meeting on which resolution is made on the profit distribution plan.

### Section 3 Internal Audit

**Article 159** The Company shall implement an internal audit system, specifying, among other things, the leadership structure, duties and powers, staffing, funding, utilization of audit results and accountability of its internal audit work.

**Article 160** The internal audit function of the Company shall oversee and inspect, among other things, the business activities, risk management, internal control and financial information of the Company.

**Article 161** The internal audit function shall be accountable to the Board.

In overseeing and inspecting, among other things, the business activities, risk management, internal control and financial information of the Company, the internal audit function shall be under the supervision and guidance of the Audit Committee. Where the internal audit function identifies any material issue or clue, it shall immediately give direct report to the Audit Committee.

**Article 162** The internal audit function shall be responsible for the specific organization and implementation of the internal control evaluation of the Company.

Based on the evaluation report and relevant information issued by the internal audit function and reviewed by the Audit Committee, the Company shall work out an annual internal control evaluation report.

### Section 4 Appointment of Accounting Firms

**Article 163** The Company appoints an accounting firm which is qualified under the Securities Law and the SEHK Listing Rules to audit the Company's annual financial reports, and provide services such as auditing of accounting statements, verification of net assets and other relevant consultation, for a term of one year and subject to renewal after expiration.

**Article 164** The appointment of an accounting firm by the Company must be decided by an ordinary resolution at the shareholders' general meeting, and the Board of Directors shall not appoint any accounting firm prior to the decision of the shareholders' general meeting.

**Article 165** The Company shall assure to provide the accounting firm with true and complete accounting vouchers, account books, financial reports and other accounting information, and shall not reject, conceal or make false report of any information.

**Article 166** The audit fee/remuneration of an accounting firm shall be decided by the shareholders' general meeting.

**Article 167** If the Company proposes to remove the accounting firm or not to renew the appointment thereof, it should notify the accounting firm 15 days in advance, and when the dismissal of the accounting firm shall be voted at the shareholders' general meeting of the Company, the accounting firm has the right to state its opinions to the shareholders' general meeting. Where the accounting firm resigns from its office, it shall make clear to the shareholders' general meeting whether there is any impropriety on the part of the Company.

## CHAPTER 8 NOTICES AND ANNOUNCEMENTS

**Article 168** Notices of the Company shall be delivered by the following means:

- (I) by delivery in person;
- (II) by post;
- (III) by fax or email;
- (IV) by way of publishing information on websites designated by the Company and the Hong Kong Stock Exchange, subject to the laws, administrative regulations and the listing rules of stock exchange of the place where the Company's shares are listed;
- (V) by way of announcement;
- (VI) by any other means as agreed by the Company and the addressee or as accepted by the addressee after the notice is received;
- (VII) by any other means as approved by relevant regulatory authorities at the places where the Company's shares are listed or as specified in these Articles.

Unless the context otherwise specifies, the “announcement” referred to in these Articles shall mean, in respect of announcements made to the holders of unlisted domestic shares or the announcements to be published in the PRC as required by the relevant requirements and these Articles, the publication of an announcement in newspapers or periodicals in the PRC, and such newspapers or periodicals shall have been prescribed under the laws and administrative regulations of the PRC or by the securities regulatory authorities under the State Council. For notices issued by the Company to the holders of H Shares by way of announcement, the Company shall on the same day submit an electronic version to the Hong Kong Stock Exchange through the Hong Kong Stock Exchange electronic publishing system for immediate release on the website of the Hong Kong Stock Exchange in accordance with the local listing rules, or publish an announcement in newspapers (including the publication of an advertisement in newspapers) in accordance with the local listing rules. The announcement shall also be published on the Company’s website at the same time. In addition, unless otherwise required in these Articles and subject to relevant requirements of the securities regulatory authorities at the places where the Company’s shares are listed, the Company may opt to publish its corporate communication in the form as required in (IV) of first paragraph of this Article in lieu of delivery of notice, in person or by mail, to every holder of H Shares in written form.

Holders of the Company’s H Shares may select electronic version or mail in writing to receive corporate communication that the Company shall send to shareholders, and they can also select to receive Chinese or English version only, or both. Shareholders can give written notice in advance to the Company within reasonable time to revise the method and language version of receiving foregoing information under appropriate procedures.

Shareholders or Directors who want to prove that notices, documents, information or written statements have been served on the Company shall provide evidential materials showing the same has been served on the correct address by ordinary means or by prepaid mail within the designated periods.

Notwithstanding the aforesaid provision which specifies providing and/or delivering written corporate communication to shareholders, for the purpose of the means by which the Company provides and/or delivers its corporate communication to shareholders according to the SEHK Listing Rules, if the Company has obtained shareholders’ prior written consent or deemed consent according to the relevant laws and regulations and the SEHK Listing Rules as amended from time to time, the Company may deliver or provide corporate communication to its shareholders by electronic means or via publication on its website. Corporate communication includes but is not limited to circulars, annual reports, quarterly reports, notices of shareholders’ general meetings, and other types of corporate communication as specified in the SEHK Listing Rules.

If the Company is authorized to give notice by advertisement, such advertisements may be published in the newspapers and there is no prohibition on giving notice to shareholders with registered addresses outside Hong Kong.

**Article 169** In respect of the date of receiving a notice of the Company delivered by hand, the notice shall be deemed to be received upon signing (or affixing the seal) by the addressee on the note of receipt. If the notice is delivered by post, it shall be deemed to be received after 7 working days from the date upon which the post office receives the notice. If the notice is delivered by way of fax or email or by way of publishing information on websites, it shall be deemed to be received on the date it is sent or published. If the notice is delivered by way of announcement, it shall be deemed to be received on the date on which the announcement is first published.

**Article 170** In the event that laws, administrative regulations and the listing rules of stock exchange of at the place where the Company's shares are listed stipulate that the Company shall send, post, distribute, issue, announce or otherwise provide relevant documents of the Company in English and Chinese, and if the Company has made appropriate arrangement to confirm whether the shareholders intend to receive either the English or the Chinese version, the Company may only send the English version or the Chinese version to the shareholders concerned, as per the intent stated by them, to the extent permitted by these Articles of the Company, applicable laws and regulations, and pursuant to applicable laws and regulations.

**Article 171** The accidental omission to give notice of meeting to, or non receipt of notice of meeting by, any person entitled to receive such notice shall not invalidate the meeting and any resolution adopted at the meeting.

## **CHAPTER 9 MERGER, DIVISION, CAPITAL INCREASE AND DECREASE, DISSOLUTION AND LIQUIDATION**

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

**Article 172** The merger of the Company may take the form of either merger by absorption or merger by establishment of a new entity.

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

Where the consideration paid by the Company in a merger does not exceed 10% of its net assets, a resolution of the shareholders' general meeting may not be required, unless otherwise provided for in these Articles, relevant applicable laws and regulations or the SEHK Listing Rules.

Where a merger is effected pursuant to the preceding paragraph without a resolution of the shareholders' general meeting, it shall be subject to a resolution of the Board.

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's resolution on merger and shall publish an announcement in the newspapers or on the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution. The creditors may require the Company to repay debts or provide corresponding guarantees for debt repayment within 30 days after the receipt of the notice, or within 45 days after the announcement for creditors if the creditors have not received the notice.

In the event of a merger, creditors' right or debts of each of the parties to the merger shall be assumed by the company which survives the merger or the newly established company resulting from the merger.

**Article 173** Where the Company is divided, its properties shall be divided accordingly.

In the event of a division, the parties to the division shall enter into a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's resolution on division and shall publish an announcement about the resolution in the newspapers or on the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution.

The debts of the Company prior to the division shall be undertaken by the companies after division, save as otherwise specified in the written agreement on debt repayment reached between the Company and its creditors before division.

**Article 174** The Company shall prepare a balance sheet and an inventory of assets when it reduces its registered capital.

The Company shall notify its creditors within 10 days after adoption of the resolution of the shareholders' general meetings to reduce the registered capital and shall make announcements in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. The creditors shall be entitled to require the Company to repay debts or provide corresponding guarantees for debt repayment within 30 days after the receipt of the notice, or within 45 days after the announcement for creditors if the creditors have not received the notice.

Where the Company reduces its registered capital, the amount of capital contribution or the number of shares held by shareholders shall be reduced proportionately, unless otherwise provided by laws or these Article. The Company's registered capital shall not, upon capital reduction, be less than the statutory minimum limit.

**Article 175** Where the Company, after making up losses in accordance with the provisions of the second paragraph of Article 152 hereof, remains in deficit, it may reduce its registered capital to offset such losses. Where registered capital is reduced to offset losses, the Company shall not make any distribution to shareholders nor exempt shareholders from capital contribution or payment.

Where registered capital is reduced pursuant to the preceding paragraph, the provisions of the second paragraph of Article 174 hereof shall not apply; however, an announcement shall be published in newspapers or on the National Enterprise Credit Information Publicity System within 30 days from the resolution to reduce the registered capital being passed at the shareholders' general meeting.

Where the Company reduces its registered capital in accordance with the preceding two paragraphs, it shall not distribute any profit until the aggregate amount of its statutory reserve fund and discretionary reserve fund reaches 50% of its registered capital.

**Article 176** Where the registered capital is reduced in violation of the Company Law or other relevant provisions, the shareholders shall return the funds they have received, and any reduction or exemption of shareholders' contribution shall be restored to its original state. Where losses are caused to the Company, the shareholders and relevant directors or senior management members shall be liable for compensation.

**Article 177** The Company shall, in accordance with the laws, apply for change in its registration with the company registration authority where a change in any item in its registration arises out of merger or division. Where the Company is dissolved, the Company shall apply for its deregistration in accordance with the laws. Where a new company is established, the Company shall apply for registration thereof in accordance with laws.

The Company shall, in accordance with the laws, apply for change in its registration with the company registration authority where it increases or reduces its registered capital.

## Section 2 Dissolution and Liquidation of the Company

**Article 178** In any of the following circumstances, the Company shall be dissolved:

- (I) the term of operation specified in these Articles expires or any other circumstance for dissolution specified in these Articles arises;
- (II) a resolution on dissolution is passed at a shareholders' general meeting;
- (III) dissolution is necessary due to a merger or division of the Company;
- (IV) its business license is revoked, or it is ordered to close up or to be revoked according to laws;
- (V) where the Company's operations and management encounter serious difficulty, and its continuation will cause substantial loss to the interests of the shareholders and no solution can be found through any other channel, shareholders holding 10% or more of the total voting rights of the Company may make requisition to the People's Court to dissolve the Company.

Where the Company encounters the grounds for dissolution specified in the preceding paragraph, it shall make public such grounds on the National Enterprise Credit Information Publicity System within 10 days.

**Article 179** Where the Company falls under the circumstances (I) and (II) of the first paragraph of Article 178 and has not yet distributed its assets to the shareholders, it may survive by amending the Articles of Association or by a resolution of the shareholders' general meeting.

If these Articles are amended according to the provisions of the preceding paragraph, such amendment must be approved by a resolution passed by not less than two-thirds of the voting rights held by shareholders attending the shareholders' general meeting.

**Article 180** Where the Company is dissolved pursuant to provisions (I), (II), (IV) and (V) of Article 178 hereof, a liquidation committee shall be set up, within 15 days from the date upon which the cause of dissolution arises, to start the liquidation process. The membership of the liquidation committee shall be determined by an ordinary resolution of the shareholders' general meeting. In case no such committee is established to proceed with liquidation in time, the creditors may make application to the People's Court for appointing relevant persons to form the liquidation committee for liquidation.

**Article 181** During the liquidation period, the liquidation committee shall exercise the following functions and powers:

- (I) to sort out the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (II) to inform creditors by notice or announcement;
- (III) to dispose of and liquidate any unfinished businesses of the Company;
- (IV) to pay outstanding taxes and taxes incurred during the liquidation process;
- (V) to settle claims and debts;
- (VI) to deal with the remaining assets after the Company's debts having been paid in full;
- (VII) to represent the Company in civil lawsuits.

**Article 182** The liquidation committee shall within 10 days of its establishment send a notice to creditors, and within 60 days of its establishment make a public announcement in a newspaper or on the National Enterprise Credit Information Publicity System. The creditors shall declare their claims to the liquidation committee within 30 days from the date on which they receive such notice or within 45 days from the date of announcement if no such notice is received.

When declaring the claims, the creditors shall specify the relevant matters about the claims and provide evidence. The liquidation committee shall register such claims.

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

**Article 183** The liquidation committee shall, after examining the Company's property and preparing the balance sheets and an inventory of assets, formulate a liquidation plan and present it to the shareholders' general meeting or the People's Court for confirmation.

The property of the Company shall be liquidated in the following order: payment of liquidation expenses, staff wages, social insurance expenses and statutory compensation, payment of outstanding taxes, and repayment of the Company's debts.

The remaining property of the Company after repayment of its debts in accordance with the preceding provision shall be distributed to the shareholders of the Company according to the proportions of shares held by them and in proportion to their respective shareholdings.

During the liquidation period, the Company continues to exist, but may not carry out any business operation that is not for purpose of carrying out liquidation. Before the settlement of repayments as prescribed in the preceding provision, the Company's property will not be distributed to shareholders.

**Article 184** If the liquidation committee, having examined the Company's property and having prepared a balance sheet and an inventory of property, discovers that the Company's assets are insufficient to pay its debts in full, it shall immediately apply to the People's Court for a bankruptcy liquidation.

Upon acceptance of the bankruptcy petition by the People's Court, the liquidation committee shall turn over any matters regarding the liquidation to the bankruptcy administrator appointed by the People's Court.

**Article 185** Following the completion of liquidation, the liquidation committee shall prepare a report on liquidation and a statement of the receipts and payments and financial books during the period of liquidation, which shall be examined and verified by the PRC certified public accountants and submitted to the shareholders' general meeting or the People's Court for confirmation. The liquidation committee shall also within 30 days after such confirmation, submit the preceding documents to the company registration authority and apply for cancellation of registration of the Company, and publish an announcement relating to the termination of the Company.

**Article 186** Members of the liquidation committee shall bear the obligations of honesty and diligence in performing their liquidation duties.

Where members of the liquidation committee neglect their liquidation duties and thereby cause loss to the Company, they shall be liable for compensation; where they cause loss to the creditors due to their intentional misconduct or gross negligence, they shall also be liable for compensation.

**Article 187** If the Company is declared bankrupt in accordance with the laws, liquidation shall be implemented pursuant to the laws on corporate winding up.

## CHAPTER 10 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

**Article 188** The Company shall amend the articles of association under any of the following circumstances:

- (I) Subsequent to the amendments to the Company Law or the relevant laws and administrative regulations, the matters provided for in the articles of association are in conflict with the provisions of the amended laws and administrative regulations;
- (II) Changes in the state of the Company are inconsistent with the matters provided for in the articles of association;
- (III) The shareholders' general meeting has decided to amend the articles of association.

**Article 189** Amendments to the articles of association passed by resolutions at the shareholders' general meeting, which require examination and approval by the competent authorities, shall be submitted to the competent authorities for approval. Where amendment involves the registered particulars of the Company, application shall be made for alteration of registration in accordance with the laws.

**Article 190** The Board shall amend the articles of association in accordance with the resolution of the shareholders' general meeting in relation to amendment of these Articles and the opinion on examination and approval from relevant regulatory authorities.

**Article 191** Any amendment to the Articles of Association which involves information to be disclosed as required by the law or regulations, shall be publicly announced as required.

## CHAPTER 11 SUPPLEMENTARY PROVISIONS

### Article 192 Definition

- (I) Controlling shareholder refers to a shareholder who holds shares representing more than 50% of the total share capital of the Company; or a shareholder having sufficient voting right in respect of the shares he/she holds to pose a significant influence on the resolutions of the shareholders' general meeting despite holding not exceeding 50% of the total share capital of the Company, or a controlling shareholder within the meaning of the securities regulatory rules of the place where the shares of the Company are listed.
- (II) De facto controller refers to a natural person, legal person or another organization who/ which is able to actually control the actions of the Company through an investment relation, agreement or other arrangement.
- (III) Related (connected) relationship refers to the relationship between the controlling shareholders, De facto controllers, Directors, Supervisors or senior management members of the Company and the companies controlled directly or indirectly by them, as well as other relationships that may result in transfer of interests of the Company. Where the SEHK Listing Rules contain separate provisions regarding related (connected) relationship, such provisions shall prevail.
- (IV) In these Articles, "accounting firm" has the same meaning as that of "auditors" in the SEHK Listing Rules and "independent director" has the same meaning as that of "independent non-executive director" in the SEHK Listing Rules.
- (V) In these Articles, "connected transaction" refers to the definition as set out in the SEHK Listing Rules.
- (VI) In these Articles, "State" refers to the People's Republic of China.

**Article 193** In these Articles, "no less than", "within" or "no more than" includes the underlying number, while "under", "beyond", "less than", "more than" or "over" does not include the underlying number.

**Article 194** For matters not stipulated in these Articles, or inconsistencies between the provisions of these Articles and any separate agreement in writing among related parties, the written agreement separately entered into by the related parties shall prevail.

**Article 195** The Board may, in accordance with the provisions of the Articles of Association, formulate by-laws or other relevant internal control systems. Such by-laws or other relevant internal control systems shall not conflict with the provisions of the Articles of Association, and in the event of any conflict, the provisions of the Articles of Association shall prevail; Where such by-laws or other relevant internal control systems work as supplement or further clarification on matters not covered by the Articles of Association, reference shall be made to the content of such by-laws or other relevant internal control systems.

**Article 196** The Company shall deliver all notices or other documents prepared in English or attach a signed and certified English version corresponding thereto, in accordance with chapter 13 of the SEHK Listing Rules to the Hong Kong Stock Exchange.

These Articles is prepared in Chinese. In case of any discrepancy between any other language or different version and Chinese version of these Articles, Chinese version shall prevail.

**Article 197** The Board shall be responsible for the interpretation of these Articles. Matters not covered in these Articles shall be dealt with pursuant to the laws, administrative regulations and securities regulatory rules of the place where the shares of the Company are listed and in line with the actual circumstances of the Company. In the event of any discrepancy between these Articles and the newly promulgated laws, administrative regulations or securities regulatory rules of the place where the shares of the Company are listed, the latter shall prevail.

**Article 198** The appendices to these Articles comprise the Rules of Procedures for the Shareholders' General Meeting and the Rules of Procedures for the Board of Directors.

**Article 199** These Articles and subsequent amendments shall become effective on the date on which they are approved by resolution at the shareholders' general meeting.