

# **Articles of Association of Rizhao Port Jurong Co., Ltd.**

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*Note:* In the marginal notes of the Articles of Association, “**Company Law**” represents the Company Law of the People’s Republic of China; “**Letter of Supplementary Opinions**” represents the Letter of the Opinion on the Supplemental Amendments to the Articles of Association of Companies to be Listed in Hong Kong (Zheng Jian Hai Han [1995] No.1) jointly promulgated by the overseas listing department of the CSRC and the production system department of the former State Commission for Restructuring the Economic System on April 3, 1995; “**Opinions on Regulated Operation and In-depth Reform**” represent the Opinions on Further Assistance in Regulated Operation and In-depth Reform of Companies Listed outside the PRC (Guo Jing Mao Qi Gai [1999] No. 230) jointly promulgated by the former State Economic and Trade Commission and the CSRC on March 29, 1999; “**Main Board Listing Rules**” or “**Hong Kong Stock Exchange Listing Rules**” or “**Hong Kong Listing Rules**” represent the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited; “**Appendix A1 to the Main Board Listing Rules**” represents Appendix A1 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited; and “**Appendix C1 to the Main Board Listing Rules**” represents the Corporate Governance Code and Corporate Governance Report in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

# Articles of Association of Rizhao Port Jurong Co., Ltd.

## Chapter 1 General Provisions

- Article 1** For the purpose of protecting the legal rights and interests of the Company, the shareholders and the creditors as well as regulating the organization and behaviors of the Company, Rizhao Port Jurong Co., Ltd. (hereinafter referred to as the “**Company**”) formulates these Articles of Association in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “**Company Law**”), the Securities Law of the People’s Republic of China, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Guidance for the Articles of Association of Listed Companies (“**Guidance for AOA**”), the Constitution of the Communist Party of China and other relevant laws and administrative regulations of the PRC.
- Article 2** The Company is a joint stock limited company established in accordance with the Company Law and other relevant national laws and administrative regulations.
- Upon approval by the State-owned Assets Supervision and Administration Commission of the People’s Government of Rizhao City, the Company was established by means of promotion on December 10, 2018 and was registered with Rizhao Administration for Industry and Commerce and obtained a business license on December 19, 2018.
- The Company’s unified social credit code is: 9137110057045934XE.
- The Company’s promoters are Rizhao Port Co., Ltd. and Jurong Port Rizhao Holding Pte. Ltd..
- Article 3** The Company has been approved by the China Securities Regulatory Commission (the “**CSRC**”) on March 19, 2019 and upon the examination and approval of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) on May 28, 2019, made an initial public offering of 400,000,000 ordinary shares with a par value of RMB1 each, which were listed on the Hong Kong Stock Exchange on June 19, 2019.

Article 1 of the  
Guidance for  
AOA

Article 2 of the  
Guidance  
for AOA

Article 3 of the  
Guidance  
for AOA

Article 4 of the  
Guidance  
for AOA

<b>Article 4</b>	<p>The Company's registered names are:</p> <p>Full name in Chinese: 日照港裕廊股份有限公司</p> <p>Full name in English: RIZHAO PORT JURONG CO., LTD.</p>	
<b>Article 5</b>	<p>The Company's domicile is: South End, Haibin 5th Road, Rizhao City.</p> <p>Postal code: 276826</p> <p>Tel.: +86 0633 7381 569</p> <p>Fax: +86 0633 7381 530</p>	Article 5 of the Guidance
<b>Article 6</b>	The Company's registered capital is RMB1,660,000,000.	Article 6 of the Guidance for AOA
<b>Article 7</b>	The Company is a joint stock limited company with perpetual existence.	Article 7 of the Guidance for AOA
<b>Article 8</b>	The legal representative of the Company is the chairman of the Board of the Company.	Article 8 of the Guidance for AOA
<b>Article 9</b>	The assets of the Company are divided into equal shares. Shareholders shall bear liability for the Company to the extent of the shares they subscribe, while the Company shall bear liability for the debts of the Company with all its assets.	Article 9 of the Guidance for AOA
<b>Article 10</b>	<p>From the date when these Articles of Association take effect, these Articles of Association 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, legally binding on the Company, its shareholders, directors, supervisors, and senior management. Pursuant to these Articles of Association, shareholders may institute legal proceedings against shareholders; shareholders may institute legal proceedings against directors, supervisors, general manager, and other senior management of the Company; the shareholders may institute legal proceedings against the Company; and the Company may institute legal proceedings against shareholders, directors, supervisors, manager and other senior management.</p> <p>The actions referred to in the preceding paragraph include court proceedings and arbitration proceedings.</p>	Article 10 of the Guidance for AOA

**Article 11** Senior management referred to in these Articles of Association include the general manager, deputy general manager, financial manager (also known as chief financial officer) and secretary to the Board and other senior management members recognized by the Board.

Article 11 of  
the Guidance  
for AOA

**Article 12** The Company establishes the organization of the Communist Party of China to carry out Party activities, establish operation mechanism for the Party, and provide full and strong Party personnel to ensure the operation expenses of the Party organization in accordance with the provisions of the Party Constitution.

Article 12 of  
the Guidance  
for AOA

## **Chapter 2 Business Objectives and Scope of the Company**

**Article 13** The business objectives of the Company are to speed up the development of the ports in Rizhao City, Shandong and build the Company into a successful terminal operator of grains, woodchips, dried tapioca and oil in East China; adopt advanced and applicable technologies and scientific operation and management methods to enhance the Company's market competitiveness.

Article 13 of  
the Guidance  
for AOA

**Article 14** The business scope of the Company is: operation of terminal and other port facilities; provision of cargo handling and warehouse services in the port area; rental, repair and operation of port machinery, facilities and equipment; fresh water supply (carry out operations with a valid Permit for Port Operation and within the scope approved by the permit); cargo transportation agency; cargo stowage. The businesses that are required to be approved according to the laws shall only be carried out after the approval by the relevant departments in accordance with the approved scope.

Article 14 of  
the Guidance  
for AOA

The business scope referred to in the preceding paragraph shall be such items as audited 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 and complete relevant formalities of industry and commerce administration registration for such an adjustment according to relevant provisions.

### Chapter 3 Shares and Registered Capital

**Article 15** There shall, at all times, be ordinary shares in the Company. Ordinary shares issued by the Company include domestic shares and foreign shares. Subject to the compliance with laws, regulations and the requirements of securities regulatory authorities, the Company may create different classes of shares when needed.

If the share capital of the Company includes shares without voting rights, then the said shares shall be marked with “without voting right”.

**Article 16** The stock of the Company shall take the form of shares. All shares issued by the Company shall have nominal values, with each share having a nominal value of RMB1.

Article 15 of  
the Guidance  
for AOA

The shares issued by the Company are denominated in Renminbi.

Article 17 of  
the Guidance  
for AOA

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

**Article 17** The Company shall issue shares in an open, fair and just manner, and each share of the same category shall have the same right.

Article 126 of  
the Company  
Law Article 16  
of the Guidance  
for AOA

All shares of the same category 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 each share.

Domestic shares and overseas listed shares issued by the Company shall have the same right in any distribution of dividend or other forms of distributions.

**Article 18** The domestic shares issued by the Company are under centralized depository of the China Securities Depository and Clearing Corporation Limited. The overseas listed foreign shares issued by the Company in Hong Kong are under centralized depository of Computershare Hong Kong Investor Services Limited and may also be held by shareholders in their own names.

Article 18 of  
the Guidance  
for AOA

**Article 19** The Company offering its shares to both domestic and foreign investors shall, in accordance with the laws, fulfil the registration (if required) or filing procedures with the CSRC.

Foreign investors as referred to in the preceding paragraph shall mean those investors in foreign countries and Hong Kong Special Administrative Region, Macau Special Administrative Region 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 20** 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 are called overseas listed foreign 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 domestic shares and holders of overseas listed foreign shares are common shareholders and shall have the same rights and obligations.

**Article 21** Foreign shares issued by the Company to list in the Hong Kong Stock Exchange shall be called H Shares. H Shares are shares which have been admitted for listing on the Hong Kong Stock Exchange, the par value of which is denominated in Renminbi and which are subscribed for and traded in Hong Kong dollars.

Rule 19A.04 of  
the Main Board  
Listing Rules

**Article 22** The Company, at the time of its establishment, issued 1,200,000,000 ordinary shares to its promoters, all of which are subscribed for and held by the promoters of the Company, among which:

Article 19 of  
the Guidance  
for AOA  
Paragraphs 4  
and 5 of Article  
81 of the  
Company Law

Rizhao Port Co., Ltd. subscribed for and held 840,000,000 shares, representing 70% of the total number of ordinary shares issued by the Company at the time of its establishment, and the capital contribution was made in kind and completed on 19 March 2011.

Jurong Port Rizhao Holding Pte. Ltd. subscribed for and held 360,000,000 shares, representing 30% of the total number of ordinary shares issued by the Company at the time of its establishment, and the capital contribution was made in currency and completed on 29 March 2011.



- Article 23** After the completion of the initial public offering of overseas listed foreign shares (including 60,000,000 H Shares issued upon the exercise of over-allotment option), the equity structure of the Company includes 840,000,000 domestic shares, representing approximately 50.6% of the total number of shares of the Company, and 820,000,000 H Shares (consisting of 360,000,000 H Shares converted from foreign shares and 460,000,000 H Shares issued under the Global Offering), representing approximately 49.4% of the total number of shares of the Company. Article 20 of the Guidance for AOA
- Article 24** The Company or its subsidiaries (including affiliated of the Company) shall not provide any financial assistance in the form of gifts, advances, guarantees, compensation or loans or in other forms to persons who purchase or intend to purchase the shares of the Company. Article 21 of the Guidance for AOA
- Article 25** Unless otherwise specified by the laws and administrative regulations of the state and the securities regulatory authorities of the place where the Company's shares are listed, the fully paid shares of the Company may be transferred freely without any lien attached. Transfer of overseas listed foreign shares listed in Hong Kong shall be registered with the Hong Kong-based share registry designated by the Company.

#### **Chapter 4 Increase, Decrease and Repurchase of Shares**

- Article 26** The Company may increase capital by the following ways in light of its business and development needs and in accordance with the relevant laws and regulations, these Articles of Association and separate resolutions made at shareholders' general meeting: Article 22 of the Guidance for AOA
- (I) public issue of shares;
  - (II) non-public issue of shares;
  - (III) distributing new shares to existing shareholders;
  - (IV) transferring reserve funds to increase share capital;
  - (V) any other ways stipulated by laws and administrative regulations and approved by the relevant regulatory authorities. Article 177 of the Company Law
- Article 27** Pursuant to the Articles of Association, the Company may decrease its registered capital. Article 23 of the Guidance for AOA
- Such decrease shall be made in accordance with the procedures set out in the Company Law, other relevant provisions and these Articles of Association.

**Article 28** The Company shall prepare a balance sheet and an inventory of assets when it decreases its registered capital.

The Company shall notify its creditors within 10 days after adoption of the resolution to decrease the registered capital and shall make announcements in newspapers 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 haven't received the notice.

The Company's registered capital shall not, upon the decrease of capital, be less than the statutory minimum limit.

**Article 29** The Company shall not repurchase its own shares, except under any of the following circumstances:

Paragraph 1  
of Article 142  
of the Company  
Law

- (I) decrease of the registered capital of the Company;
- (II) merger with other companies holding shares of the Company;
- (III) using shares for employee stock ownership plan or as equity incentive;
- (IV) requests for 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 Company to maintain its value and the shareholders' equity;
- (VII) any other circumstances permitted by the laws and administrative regulations and approved by the regulatory authorities.

Article 24 of  
the Guidance  
for AOA

**Article 30** The Company may acquire its shares through a public and centralized trading method or other methods recognized by laws, administrative regulations, and the CSRC.

Article 25 of  
the Guidance  
for AOA  
Paragraph 4 of  
Article 142 of  
the Company  
Law

Repurchase of the Company's shares for reasons set out in (III), (V) or (VI) of Article 29 of these Articles of Association shall be conducted by way of open and centralized transaction.

- Article 31** Repurchase of the Company's shares for reasons set out in (I) to (II) of Article 29 of these Articles of Association shall be subject to resolution at a shareholders' general meeting. Repurchase of the Company's shares for reasons set out in (III), (V) or (VI) of Article 29 of these Articles of Association shall be subject to resolution at a Board meeting at which more than two thirds of the directors are present.
- Article 32** Shares lawfully repurchased by the Company under (I) of Article 29 herein shall be cancelled within 10 days from the date of repurchase; shares repurchased under (II) and (IV) of Article 29 herein shall be transferred or cancelled within six months thereafter; and shares of the Company acquired in accordance with (III), (V) and (VI) of Article 29 herein shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within three years.
- Article 33** The Company shall not accept any shares of the Company as the subject of the pledge.
- Article 26 of the Guidance for AOA
- Paragraphs 2 and 3 of Article 142 of the Company Law
- Article 26 of the Guidance for AOA
- Paragraph 4 of Article 142 of the Company Law

## **Chapter 5 Shares and Register of Shareholders**

- Article 34** The Company's shares are all registered shares.
- Matters specified in the shares of the Company shall also include other matters required by the stock exchange on which the Company's shares are listed, apart from those specified in the Company Law.
- During the period when H Shares are listed on the Hong Kong Stock Exchange, the Company shall ensure all of its listing documents (including those of H Shares) contain the following statements, and shall instruct and promote its share transfer registry to reject registration of share subscription, purchase or transfer under the name of any individual holder, unless and until the said individual holder has submitted to the said share transfer registry a signed form relating to the said shares, which form shall contain the following statements:
- (I) The purchaser of shares together with the Company and each of its shareholders, and the Company together with each shareholder shall observe and comply with the Company Law and other relevant laws, administrative regulations, Special Regulations and these Articles of Association;

- (II) The purchaser of shares agrees with the Company and each shareholder, director, supervisor and senior management member of the Company, and the Company acting on its behalf and for each director, supervisor and senior management member also agrees with each shareholder, to refer all disputes or claims arising from these Articles of Association or from any right and obligation specified by the Company Law or other relevant laws or administrative regulations and with respect to the affairs of the Company, to arbitration, and that any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct a public hearing in open session and to publish its ruling, and the arbitration awards shall be final and conclusive;
- (III) The purchaser of shares agrees with the Company and each of its shareholders that the shares of the Company can be transferred freely by the holders;
- (IV) The purchaser of shares authorizes the Company to conclude a contract on his/her behalf with each director and senior management member, who shall undertake to observe and fulfill their due duties for shareholders as specified in these Articles of Association.

**Article 35** Shares of the Company may be transferred, presented, inherited and pledged pursuant to relevant laws, administrative regulations and these Articles of Association. Transfer instruments and other documents in relation to the ownership of shares shall be registered with the share registry entrusted by the Company.

**Article 36** Issue or trading of the shares of the Company in a non-paper form shall comply with other provisions of the securities regulatory authorities and the stock exchange of the place where the Company's shares are listed.

**Article 37** The Company shall maintain a register of shareholders based on the vouchers provided by securities registries and in compliance with applicable laws, regulations, normative documents, and the Hong Kong Listing Rules. The register of shareholders shall be the sufficient evidence proving the shareholders' holding of the Company's shares.

Paragraph 4 of  
Article 142 of  
the Company  
Law

The shareholders shall enjoy the rights and assume the obligations according to the class of the shares they hold. The shareholders holding the same class of shares shall enjoy the equal rights and assume the equal obligations.

Article 31 of  
the Guidance  
for AOA

**Article 38** Subject to these Articles of Association and all the other applicable provisions, once the shares of the Company are transferred, the name of the transferee shall be listed in the register of shareholders as the holder of the said shares.

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

- (I) all joint holders of any shares shall jointly and severally assume obligations for all amounts payable for relevant shares;
- (II) if one of the joint holders dies, only the surviving joint holders shall be deemed by the Company to be such persons as having the ownership of the relevant shares. The Board shall have the right, for the purpose of making amendments to the register of shareholders, to demand a death certificate of the relevant shareholder where it deems appropriate to do so; and
- (III) among the joint holders of any shares, only the joint holder that is listed first in the register of shareholders shall be entitled to take relevant shares, receive notices of the Company, and attend the shareholders' general meetings of the Company or exercise the full voting right of the relevant shares. Any notice served to the aforesaid person shall be deemed as having been served to all the joint holders of the relevant shares. Any one of the joint holders may sign a proxy authorization form, but if more than one joint holder attends the shareholders' general meeting in person or by proxy, the resolution made by the joint holder with priority shall be accepted as the sole resolution made on behalf of other joint holders (regardless of whether it is made in person or by proxy). In this respect, the priority of shareholders shall be determined according to the order of ranking of the joint holders of relevant shares in the register of shareholders.

**Article 39** The Company may keep overseas the original of the register of holders of overseas listed foreign shares and entrust it to the care of an overseas agency in accordance with the understanding and agreement reached between the securities regulatory authorities under the State Council and the overseas securities regulatory authorities. The original of the register of holders of overseas listed foreign shares listed on the Hong Kong Stock Exchange shall be kept in Hong Kong. The Company shall keep at its domicile a copy of the register of holders of overseas listed foreign shares; the entrusted overseas agency shall always ensure that the original and copies of the register of holders of overseas listed foreign shares are consistent.

Where the original and copies of the register of holders of overseas listed foreign shares are inconsistent, the original shall prevail.

**Article 40** The Company shall keep a complete register of shareholders. The register of shareholders shall include the following parts:

- (I) Register of shareholders kept at the domicile of the Company, save as specified in (II) and (III) herein;
- (II) Register of holders of H shares of the Company maintained at the place where the Hong Kong Stock Exchange is located;
- (III) Register of shareholders that the Board decides to keep at other places for the purpose of listing the shares of the Company.

**Article 41** All transfers of overseas listed foreign shares shall be executed with a written transfer instrument in a general or common format or any other format acceptable to the Board (including the standard transfer format or transfer form specified by the Hong Kong Stock Exchange from time to time); the written transfer instrument may be signed under hand, or (if the transferor or the transferee is a company) by the corporate seal. Where the transferor or transferee of the Company's shares is a recognized clearing house (hereinafter referred to as the “**Recognized Clearing House**”) as defined under the laws of Hong Kong or its agents, the written transfer instrument may be signed in a machine-printed form.

All overseas listed foreign shares listed in Hong Kong for which full payment has been made may be transferred freely in accordance with these Articles of Association. However, the Board may refuse to recognize any transfer instrument without providing any reason, unless:

- (I) the transfer instrument only involves overseas listed foreign shares listed in Hong Kong;
- (II) the stamp tax payable on the transfer instrument has been paid;
- (III) the relevant share certificates and evidence reasonably required by the Board showing that the transferor has the right to transfer such shares shall be provided;
- (IV) the Company does not have any lien over the relevant shares; and
- (V) no transfer shall be made to minors or persons of unsound mind or others under legal disability.

Where the Board refuses to register any transfer of shares, the Company shall provide the transferor and the transferee with a notification of refusal in relation to registration of transfer of shares within two months from the date on which the application for the transfer is officially filed. All transfer instruments shall be maintained at the statutory address of the Company or such places as the Board may designate from time to time.

**Article 42** The shares of the Company may be transferred in accordance with the law.

Article 141 of  
the Company  
Law

Shares of the Company held by the promoters shall not be transferred within one year after incorporation of the Company.

Article 27 of  
the Guidance  
for AOA

The directors, supervisors and senior management of the Company shall report to the Company their shareholdings in the Company and changes thereof and shall not transfer more than 25% of all the shares they hold in the Company per annum during their terms of office; the aforesaid persons shall not transfer their shares in the Company within half a year after they terminate service with the Company. Such restrictions shall comply with the relevant provisions of the Main Board Listing Rules if H Shares are involved.

**Article 43** Subject to approval of the securities regulatory authorities under the State Council, holders of domestic shares of the Company may transfer their shares to foreign investors and have their shares listed and traded overseas. The shares transferred shall comply with the regulatory procedures, provisions and requirements of the overseas securities market when listed and traded in an overseas stock exchange.

**Article 44** If laws, administrative regulations, departmental rules, regulatory documents and relevant stock exchanges or regulatory agencies where the Company's shares are listed have provisions on the period of suspension of share transfer registration procedures before the date of the shareholders meeting or the Company's decision to distribute dividends, such provisions shall prevail.

**Article 45** If the Company convenes a shareholders' general meeting, distributes dividends, liquidates or carries out other activities which would require the determination of shareholder capacity, the Board or the convener of the shareholders' general meeting shall determine the record date. Shareholders included in the register of shareholders at the close of business on the record date shall be the entitled shareholders.

Article 32 of  
the Guidance  
for AOA



**Article 46** Any person who objects to the register of shareholders and asks to have his/her name entered in or removed from the register of shareholders may apply to the court of competent jurisdiction for rectification of the register of shareholders.

**Article 47** For shareholders, directors, supervisors, and senior management holding more than 5% of the Company's shares, if they have sold the shares of the Company or other securities with an equity nature held by them within six months after purchasing, or if they have purchased such shares or securities again within six months after selling them, the gains obtained therefrom shall be attributed to the Company and be forfeited by the Board of the Company. However, securities companies holding more than 5% of the shares due to the purchase of the remaining shares after underwriting, and other circumstances stipulated by the CSRC are excluded.

Article 30 of  
the Guidance  
for AOA

The shares or other securities with an equity nature held by directors, supervisors, senior management and natural person shareholders as mentioned in the preceding paragraph shall include the shares or other securities with an equity nature held by their spouses, parents, children, and those held in the accounts of others.

If the Board of the Company does not comply with the provisions of paragraph 1 of this article, the shareholders shall have the right to request the Board to do so within 30 days. If the Board of the Company fails to follow the above-mentioned deadline, the shareholders shall have the right to file a lawsuit directly to the People's Court in their own name in the interest of the Company.

If the Board of the Company does not comply with the provisions of paragraph 1 of this article, the responsible directors shall be jointly and severally liable in accordance with the law.

## **Chapter 6 Rights and Obligations of Shareholders**

**Article 48** Shareholders of the Company are persons lawfully holding shares of the Company, with names recorded in the register of shareholders.

A shareholder shall enjoy rights and bear obligations according to the class and quantity of his shares. Holders of the same class shall enjoy the same rights and bear the same obligations.

All classes of shareholders of the Company shall rank *pari passu* over any distribution by way of dividend or any other forms of distribution.



If a shareholder of the Company is a legal person, its rights shall be exercised by its legal representative or proxy of its legal representative on his behalf.

The Company shall not exercise any of its rights to freeze or otherwise impair any of the rights attaching to any shares of the Company by reason only that persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.

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

- (I) to speak and vote at shareholders' general meeting, unless required by the Listing Rules to abstain from voting on individual matters;
- (II) to receive dividends and other distributions in proportion to the number of shares they hold;
- (III) to lawfully require, convene, preside over, attend or appoint a proxy to attend shareholders' general meeting and to vote thereat as per their shareholdings;
- (IV) to supervise, present suggestions on or make inquiries about the business activities of the Company;
- (V) to transfer, gift or pledge their shares in accordance with laws, administrative regulations and these Articles of Association;
- (VI) to obtain relevant information in accordance with these Articles of Association, including:
  - 1. to inspect these Articles of Association;
  - 2. to inspect:
    - (1) a copy of register of all classes of shareholders (the Company may be permitted to close the register on terms equivalent to section 632 of the Companies Ordinance);
    - (2) register of corporate bonds, minutes of shareholders' general meeting (for shareholders' inspection only), special resolutions of shareholders' general meeting, resolutions of the Board, resolutions of the Supervisory Committee and financial and accounting reports of the Company;

Paragraph 2 of  
Article 102 of  
the Company  
Law  
Articles 33 and  
34 of the  
Guidance for  
AOA  
Article 97 of  
the Company  
Law

- (3) copy of the latest annual inspection report filed with the State Administration for Industry & Commerce of the People's Republic of China or other competent authorities.

The Company shall keep all documents stated above and any other applicable documents at its domicile in Hong Kong according to the requirements of the Main Board Listing Rules for the inspection of the public and holders of overseas listed foreign shares free of charge.

The Company may refuse any inspecting or copying request which involves commercial secrets and insider information on the Company and privacy of relevant personnel.

- (VII) upon termination or liquidation of the Company, to participate in the distribution of the remaining property of the Company in proportion to the quantity of shares held by them;
- (VIII) to require the Company to repurchase its shares held by the dissident shareholders when they cast votes against the proposal for merger or division at the shareholders' general meeting of the Company;
- (IX) for shareholder(s) severally or jointly holding more than 3% shares of the Company, to submit written provisional proposals to the Board 10 days before a shareholders' general meeting is convened;
- (X) to enjoy other rights stipulated by laws, administrative regulations, departmental rules or these Articles of Association.

Any shareholder requesting for inspection of the relevant information as set forth in the preceding paragraph or for obtaining information shall furnish with the Company written document evidencing the class and quantity of shares he/she holds in the Company and the Company shall comply with such shareholder's request upon verification of his/her shareholder capacity.

**Article 50**

Holders of shares of the Company shall assume the following obligations:

Article 38 of  
the Guidance  
for AOA  
Article 83 of  
the Company  
Law

- (I) to observe laws, administrative regulations and these Articles of Association;
- (II) to pay subscription monies as per the number of shares subscribed and the method of subscription;
- (III) to bear liability for the Company to the limit of the shares they hold;
- (IV) not to divest in the shares, unless required by laws and regulations;
- (V) not to abuse their rights as shareholders to prejudice the interests of the Company or other shareholders; not to abuse the independent position of the Company as a legal person and the limited liabilities of shareholders to prejudice the interests of creditors of the Company;
- (VI) not to withdraw their fund contribution after approval and registration by the Company, unless required by laws and regulations;
- (VII) to fulfil other obligations stipulated by laws, administrative regulations and these Articles of Association.

Shareholders of the Company who abuse their rights as shareholders and cause losses to the Company or other shareholders shall be liable to compensation under the laws. Shareholders of the Company who abuse the Company's independent position as a legal person to evade repayment of debts and cause material damage to the interests of its creditors shall be severally held liable to repayment of debts.

**Article 51**

Shareholders are entitled to request the People's Court to invalidate the resolutions of a shareholders' general meeting or a Board meeting which violates the laws and administrative regulations.

The shareholders shall be entitled to request the People's Court to cancel the relevant resolution within 60 days after the resolution is adopted if the convening procedure or voting method of the shareholders' general meeting or Board meeting violates the laws, administrative regulations or these Articles of Association, or the resolution content breaches these Articles of Association.

Article 35 of  
the Guidance  
for AOA

**Article 52** In the event of violation of laws, administrative regulations or the provisions of these Articles of Association by a director or a senior management in performing his/her duties, resulting in losses to the Company, the shareholders that solely or collectively hold 1% or more shares of the Company for a continuous period of 180 days shall have the right to make a written request to the Supervisory Committee to institute a legal action in a People's Court. In the event of violation of laws, administrative regulations or the provisions of these Articles of Association by the Supervisory Committee in performing its duties, resulting in losses to the Company, the shareholders shall have the right to make a written request to the Board to institute a legal action in a People's Court.

Upon receipt of the written request by the shareholders as stipulated in the preceding paragraph, in case the Supervisory Committee and/or the Board refuses to institute a legal action or fails to institute a legal action within 30 days from receipt of such request, or under urgent circumstances the Supervisory Committee and/or the Board fails to file a litigation immediately, causing irreparable damages to the Company, the shareholders shall have the right to institute a legal action with a People's Court directly in their own name for protecting the Company's interests.

In the event that any person infringes the legal interests of the Company's and causes losses thereto, the shareholders specified in paragraph 1 of this article may file a lawsuit to a People's Court in accordance with the provisions of the preceding two paragraphs.

In the event of the violation of laws, administrative regulations or the provisions of these Articles of Association by a director or a senior management, causing damage to the shareholders' interests, the shareholders may institute a legal action with a People's Court.

Where a shareholder holding 5% or more of the Company's shares with voting rights, pledges any shares in his/her possession, such shareholder shall submit a written report to the Company from the date when such shareholder pledges his/her shares.

**Article 53** Controlling shareholders and de facto controllers of the Company shall not damage the interests of the Company by taking advantage of their connected relationships. They shall be liable for indemnifying the Company for the losses arising therefrom in case of violation of such requirement.

The controlling shareholders and de facto controllers of the Company shall bear the fiduciary duty to the Company and shareholders of public shares. The controlling shareholders shall exercise the rights of the investor in strict accordance with the law. The controlling shareholders shall not damage the legitimate rights and interests of the Company and the shareholders of public shares by means of profit distribution, asset restructuring, outbound investment, capital occupation, loan guarantee, etc., or shall not damage the interests of the Company and the shareholders of public shares by means of its controlling position.

## **Chapter 7 Shareholders' General Meeting**

**Article 54** The shareholders' general meeting is the organ of authority of the Company, which shall exercise its functions and powers according to laws.

**Article 55** The shareholders' general meeting shall exercise the following functions and powers:

Article 41 of  
the Guidance  
for AOA

Articles 99  
and 121 of the  
Company Law

- (I) to determine the business guidelines and investment plans of the Company;
- (II) to elect and replace directors and supervisors who are not representatives of the employees and to determine matters relating to remuneration of the directors and supervisors;
- (III) to consider and approve the reports of the Board;
- (IV) to consider and approve the reports of the Supervisory Committee;
- (V) to consider and approve the annual financial budgets and the final accounts of the Company;
- (VI) to consider and approve the profit distribution plans and loss recovery plans of the Company;
- (VII) to resolve on increase or decrease of the registered capital of the Company;
- (VIII) to resolve on the Company's issue of bonds, any class of shares, warrants and other similar securities;
- (IX) to resolve on the merger, division, dissolution and liquidation of the Company or changes in the form of the Company;

- (X) to amend these Articles of Association;
- (XI) to consider proposals submitted by shareholder(s) severally or jointly holding more than 3% of the voting shares of the Company;
- (XII) to resolve on the appointment, reappointment or dismissal of accounting firms;
- (XIII) to consider and approve the external guarantees of the Company that require the approval by the shareholders' general meeting;
- (XIV) to consider the acquisition or disposal of material assets or provision of guarantee by the Company within one year with a value exceeding 30% of the latest audited total assets of the Company;
- (XV) to consider equity incentive schemes and employee stock ownership plan;
- (XVI) to consider and approve the change in use of proceeds from fund raising;
- (XVII) to resolve on other matters to be resolved thereby as required by laws, administrative regulations, departmental rules and these Articles of Association;
- (XVIII) to consider other matters as required by the listing rules of the stock exchange of the place where the Company's shares are listed.

The shareholders' general meeting may authorize or delegate the Board to handle the matters authorized or delegated by it, including but not limited to the following matters at the annual shareholders' general meeting:

1. subject to the applicable laws, regulations and listing rules, to give a general mandate to the Board to issue, allot and deal with additional H shares not exceeding 20% of the H shares of the Company in issue (or other proportions as required by the applicable laws, regulations and listing rules) and authorize the Board to make corresponding amendments to these Articles of Association as it deems fit so as to reflect the new capital structure upon the allotment or issuance of shares;

2. to authorize the Board, within the cap amount of debt issuance authorized by the shareholders' general meeting, to determine the specific terms and the relevant matters in relation to the issuance of the debt financing instruments such as domestic short-term financial instruments, medium-term notes, corporate bonds, overseas USD bonds based on the needs for production, operation and capital expenditure as well as the market conditions, including (but not limited to) the determination of the value, interest rate, term, targeted group and use of proceeds of the bonds being actually issued, as well as the preparation, signing and disclosure of all necessary documents thereof subject to the aforementioned limit.

**Article 56** The provision of any external guarantee of the Company shall be considered and passed by the Board. The guarantee offered by the Company to a shareholder or de facto controller of the Company shall be approved by the shareholders' general meeting.

Articles 16  
and 148 of the  
Company Law

When the shareholders' general meeting is considering a proposal to provide guarantee for any shareholder or de facto controller, the said shareholder or the shareholders controlled by the said de facto controller 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, the general manager or any other senior management member violates a provision on the approval authority or approval procedure for the provision of external guarantees as specified in the laws, administrative regulations or these Articles of Association, thereby causing the Company to suffer a loss, he/she shall be liable for damages and the Company may take legal action against him/her in accordance with laws.

The following external guarantees made by the Company shall be considered and approved by the shareholders' general meeting:

- (I) any guarantee provided after the total amount of the external guarantees provided by the Company and its controlled subsidiaries exceed 50% of the audited net assets for the latest period;
- (II) a guarantee provided after the total external guarantees of the Company exceed 30% of the latest audited total assets;

Article 42 of  
the Guidance  
for AOA



- (III) a guarantee amount exceeding 30% of the latest audited total assets of the Company within one year;
- (IV) the guarantee provided to the guaranteed object with a debt-to-asset ratio of more than 70%;
- (V) any single guarantee whose amount exceeds 10% of the audited net assets for the latest period;
- (VI) any guarantee provided to the shareholder, de facto controller and its related party.

The Company shall stipulate in these Articles of Association the scope of authority of the shareholders' general meeting and the Board to deliberate and approve external guarantees and the accountability system for violation of such scope of authority and deliberation procedures.

Article 81 of  
the Guidance  
for AOA

**Article 57** Except that the Company is in special circumstances such as crisis, without the approval of the shareholders' general meeting, the Company shall not enter into any contract with any party (other than a director, general manager and other senior management member) regarding the transfer of the management of all or any major part of the Company's businesses to such party.

**Article 58** Shareholders' general meeting are classified into annual shareholders' general meeting and extraordinary shareholders' general meeting. Shareholders' general meeting shall be convened by the Board of Directors. The annual shareholders' general meeting shall be convened once a year within six months from the end of the previous fiscal year.

Articles 43, 44  
and 45 of the  
Guidance for  
AOA  
Article 100 of  
the Company  
Law

The extraordinary shareholders' general meeting 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 of Association;
- (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% or more of the Company's shares 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 Supervisory 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 of Association.

The place for convening a shareholders' general meeting of the Company shall be the domicile or other locations specified in the notice identified by the convener. A venue shall be set for the shareholders' general meeting which shall be convened on site. Shareholders who participate in the shareholders' general meeting in the aforesaid manner shall be deemed as present.

**Article 59** Independent non-executive directors are entitled to propose to the Board the convening of an extraordinary shareholders' general meeting. The Board shall, in accordance with the laws, administrative regulations and these Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary shareholders' general meeting within 10 days after receiving such proposal from the independent non-executive directors. In the event that the Board agrees to convene an extraordinary shareholders' general meeting, the notice of the shareholder' general meeting shall be issued within 5 days after the passing of the relevant resolution of the Board. in the event that the Board does not agree to convene an extraordinary shareholders' general meeting, reasons for such disagreement shall be given by way of announcement.

Article 47 of  
the Guidance  
for AOA

**Article 60** The Supervisory Committee is entitled to propose the convening of an extraordinary shareholders' general meeting to the Board, provided that such proposal shall be made in writing. the Board shall, in accordance with the laws, administrative regulations and these Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of an extraordinary shareholders' general meeting within 10 days after receiving such proposal.

Article 48 of  
the Guidance  
for AOA

In the event that the Board agrees to convene an extraordinary shareholders' general meeting, the notice of the shareholders' general meeting shall be issued within 5 days after the passing of the relevant resolution of the Board. Any changes to the original proposals made in the notice require approval of the Supervisory Committee.

In the event that the Board does not agree to convene an extraordinary shareholders' general meeting or does not furnish any reply within 10 days after receiving such proposal, the Board shall be deemed as incapable of performing or failing to perform the duty of convening a shareholders' general meeting, in which case the Supervisory Committee may convene and preside over such meeting on a unilateral basis.

## **Article 61**

One or more shareholders individually or jointly holding not less than 10% of the Company's shares (on the basis of one vote per share) are entitled to propose the convening of an extraordinary shareholders' general meeting to the Board, provided that such proposal shall be made in writing. Such shareholders shall also be entitled to add resolutions to the agenda of the relevant shareholders' general meeting. The Board shall, in accordance with the laws, administrative regulations and these Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary shareholders' general meeting within ten (10) days after receiving such requisition.

Article 49 of  
the Guidance  
for AOA

In the event that the Board agrees to convene an extraordinary shareholders' general meeting, the notice of the shareholders' general meeting shall be issued within five (5) days after the passing of the relevant resolution of the Board. Any change to the original proposal made in the notice requires prior approval of the shareholders concerned.

In the event that the Board does not agree to convene an extraordinary shareholders' general meeting or does not furnish any reply within ten days after receiving such proposal, the shareholders who proposed the convening of such extraordinary shareholders' general meeting shall be entitled to propose to the Supervisory Committee the convening of the extraordinary shareholders' general meeting, provided that such proposal shall be made in writing.

In the event that the Supervisory Committee agrees to convene an extraordinary shareholders' general meeting, the notice of the shareholders' general meeting shall be issued within five (5) days after receiving such request. Any changes to the original proposal made in the notice shall require prior approval of the shareholders concerned.

In the event that the Supervisory Committee does not issue a notice of the shareholders' general meeting within the prescribed period, it shall be deemed that the Supervisory Committee will not convene and preside over such shareholders' general meeting, and the shareholders who proposed the convening of such extraordinary shareholders' general meeting may convene and preside over the meeting by themselves.

**Article 62**

Where the Supervisory Committee or shareholders decide(s) to convene the shareholders' general meeting by itself/themselves, it/they shall send out a written notice to the Board. The shareholding of the convening shareholder(s) shall not be lower than 10% prior to the announcement of the resolutions of the shareholders' general meeting.

Article 50 of  
the Guidance  
for AOA

The Board and the secretary to the Board shall cooperate with respect to matters relating to a shareholders' general meeting convened by the Supervisory Committee or shareholders at its/their own discretion. The Board shall provide the register of shareholders as of the record date. Expenses arising from convening of a shareholders' general meeting by the Supervisory Committee or shareholders shall be borne by the Company.

**Article 63**

The Board, the Supervisory Committee and shareholders individually or jointly holding 3% or more of the shares of the Company are entitled to propose resolutions.

When the Company convenes a shareholders' general meeting, shareholders individually or jointly holding 3% or more of the total voting shares of the Company are entitled to propose temporary 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 announcing the contents of the temporary resolution to other shareholders within two days upon the receipt of such proposal. Other than the circumstances referred to in the preceding paragraph, after the convener has issued the public announcement of the notice of the shareholders' general meeting, no changes shall be made to the proposals stated in the notice of the meeting or the newly added proposals.

Articles 53  
and 54 of the  
Guidance for  
AOA

Article 102 of  
the Company  
Law

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

**Article 64** When the Company convenes an annual shareholders' general meeting, it shall notify the shareholders of the time and venue of the meeting, and the matters to be considered 21 days prior to the meeting; and the Company shall notify the shareholders 15 days prior to an extraordinary shareholders' general meeting.

For holders of domestic shares, notices of shareholders' general meetings may be issued in the form of public announcement.

Public announcement referred to in the preceding paragraph shall be published in one or more newspaper(s) designated by the securities regulatory authorities under the State Council during the period between 21 and 25 days prior to an annual shareholders' general meeting and between 15 and 20 days prior to an extraordinary shareholders' general meeting.

Notices of shareholder's general meetings served on holders of overseas listed foreign shares may be published on the website designated by the Hong Kong Stock Exchange and the website of the Company, subject to the laws, administrative regulations and the listing rules of stock exchanges where the Company's shares are listed; or may be delivered by other means stipulated by the listing rules of stock exchanges where the Company's shares are listed.

Upon the publication of the notices of shareholders' general meetings by the means as described above, all shareholders shall be deemed to have received the notice of the relevant shareholders' general meeting.

**Article 65** The shareholders' general meeting shall not vote or pass resolutions on proposals not listed in the notice of the shareholders' general meeting or resolutions not in conformity with these Articles of Association.

Paragraph 3 of  
Article  
102 of the  
Company  
Law

**Article 66** The notice of a shareholders' general meeting shall include the following contents:

Article 56 of  
the Guidance  
for AOA

- (I) the time, venue and duration of the meeting;
- (II) the matters and proposals to be considered at the meeting;
- (III) in clear statement that all ordinary shareholders are entitled to participate the meeting and they may appoint a proxy to attend and vote at such meeting on their behalf and that such proxies need not be shareholders of the Company;
- (IV) the date of record for the shareholders who are entitled to attend the shareholders' general meeting;

- (V) the name and telephone number of the regular contact person for the meeting;
- (VI) in the event that the shareholders' general meeting adopts online transmission or other ways, the time and procedures for voting via internet or by other ways shall be specifically stated in the notice of the shareholders' general meeting.

**Article 67** For the proposal to elect directors and/or supervisors to be discussed at the shareholders' general meeting, the following biographies of candidates of directors and/or supervisors shall be fully disclosed in the notice of the meeting:

Article 57 of  
the Guidance  
for AOA

- (I) personal particulars including educational background, working experience, and any part-time job;
- (II) whether there is any connected relationship with the Company or its controlling shareholder(s) or de facto controller(s);
- (III) disclosure of their shareholdings in the Company;
- (IV) whether or not they have been subject to any punishment by the CSRC or other related authorities or stock exchanges.

**Article 68** After the issue of the notice of shareholders' general meeting, the shareholders' general meeting shall not be postponed or cancelled without proper reasons. The resolutions stated in the notice of shareholders' general meeting shall not be cancelled. In the event that the shareholders' general meeting was postponed or cancelled, the convener shall make announcement at least two business days prior to the designated date of the shareholders' general meeting and explain on the reasons.

Article 58 of  
the Guidance  
for AOA

**Article 69** The Board and other convener shall take such necessary measures to ensure the normal order of the shareholders' general meeting. For any disturbance to the order of the shareholders' general meeting and acts infringing on the lawful interests of the shareholders, measures shall be taken to prevent them, and the relevant authority shall be reported to pursue the matter.

Article 59 of  
the Guidance  
for AOA

**Article 70** All ordinary shareholders (including preferred shareholders with restored voting rights) or their proxies whose names appeared in the register of shareholders at the record date are entitled to attend the shareholders' general meeting, and exercise voting rights pursuant to the relevant laws and regulations and these Articles of Association.

Article 60 of  
the Guidance  
for AOA

Shareholders may attend the shareholders' general meeting in person or appoint a proxy to attend and vote on their behalf.

**Article 71** Individual shareholders shall present their identification cards or other valid proof of identity and share account cards when they attend the meeting in person; those who are appointed as proxies shall present their own identity cards and power of attorney when they attend the meeting.

Article 61 of  
the Guidance  
for AOA

A legal person shareholder shall appoint its legal representative or a proxy authorized by the legal representative to attend the meeting. Legal representatives shall present their identity cards, valid proof of their identity as legal representative when they attend the meeting. In the case that a proxy is appointed, the proxy shall present his own identity card, the written power of attorney issued by the legal representative of the legal person shareholder.

**Article 72** 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. According to the appointment of the shareholder, a proxy so appointed shall:

- (I) have the same right as the shareholder to speak at the 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 one proxy has been appointed, the proxies only have the right to vote on a poll.

**Article 73** Shareholders shall appoint a proxy by written instrument which is signed by the appointer or his/her agent so authorized in writing, or if the appointer is a legal person, sealed by the stamp of the legal person or signed by its director or agent so officially authorized.

Articles 62  
and 63 of the  
Guidance for  
AOA

The proxy form issued by a shareholder appointing a proxy to attend shareholders' general meeting on his behalf shall state the following:

- (I) name of the proxy;
- (II) whether empowered with right to vote;
- (III) instructions to vote in favour of, against or abstain from, as the case may be, each matter in the agenda of the shareholders' general meeting;



- (IV) the date of the proxy form and the expiration date;
- (V) signature (or seal) of the principal. In the case that the principal is a legal person shareholder, the proxy form shall bear the official seal of that legal person.

The proxy form shall contain a statement to the effect that, in the absence of specific instructions from the shareholder, whether the proxy may vote at his/her discretion.

#### **Article 74**

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. Where the proxy form 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 proxy form for voting at the domicile of the Company or at such other place as specified in the notice of the meeting.

Article 64 of  
the Guidance  
for AOA  
Opinions of  
HKSCC

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 one or more persons as it thinks fit to act as its representative(s) at any shareholders' general meeting or any class meeting provided that, if more than one 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.

If such shareholder is Hong Kong Securities Clearing Company Limited, such shareholder is entitled to appoint proxies or corporate representatives to attend shareholders' general meetings and meetings of creditors, and such proxies or corporate representatives have the same statutory rights as other shareholders, including the right to speak and vote.

- Article 75** The meeting attendance lists shall be prepared by the Company. The meeting attendance lists shall include participants' (individuals or entities) names, identity card numbers, addresses, number of shares held or carrying voting rights, the principals' (individuals or entities) names, etc. Article 65 of the Guidance for AOA
- Article 76** The convener shall verify the legal eligibility of the shareholders based on the register of shareholders provided by the securities registration and clearing authority and shall register the names of the shareholders together with the numbers of shares with voting rights held by them. Before the chairman of the meeting declares the number of shareholders and proxies present at the meeting as well as the total number of shares with voting rights in their possession, registration for the meeting shall be ended.
- Article 77** When convening a shareholders' general meeting, all directors, supervisors and the secretary to the Board shall attend the meeting in person while managers and other senior management shall attend the meeting as observers. Article 67 of the Guidance for AOA
- Article 78** A shareholders' general meeting shall be chaired by the chairman of the Board. If the chairman of the Board is unable to or fails to perform his/her duties, the meeting shall be chaired by the vice chairman of the Board (if the Company has two or more vice chairmen, the vice chairman selected by more than half of the directors shall perform the relevant duties); if the vice chairman of the Board is unable to or fails to perform his/her duties, the meeting shall be chaired by the director elected by more than half of the directors jointly. Article 68 of the Guidance for AOA
- A shareholders' general meeting convened by the Supervisory Committee itself shall be presided over by the chairman of the Supervisory Committee. Where the chairman of the Supervisory Committee is unable or fails to fulfill the duties thereof, the vice chairman of the Supervisory Committee shall chair the meeting; and where the vice chairman of the Supervisory Committee is unable or fails to perform such functions, a supervisor elected by more than half of the supervisors shall chair the meeting.
- A shareholders' general meeting convened by the shareholders themselves shall be chaired by a representative elected by the convener.



Where a shareholders' general meeting is held and the chairperson 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 chairperson 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.

- Article 79** The Company shall formulate the rules of procedures for shareholders' general meetings, which stipulates procedures for convening the shareholders' general meeting and voting procedures, including notice, registration, consideration of resolutions, voting, vote counting, announcement of voting results, resolutions of the meeting, the meeting minutes and their signings, announcement etc., and the principles for the shareholders' general meeting authorizing the Board for which the authorization shall be clear and specific. The rules of procedures for shareholders' general meetings shall be the appendix to the Articles of Association, which shall be proposed by the Board and approved by shareholders' general meeting. Article 69 of the Guidance for AOA
- Article 80** At the annual shareholders' general meeting, the Board and the Supervisory Committee shall report their work in the preceding year to the shareholders' general meeting. Article 70 of the Guidance for AOA
- Article 81** Directors, supervisors and the senior management should respond and explain to the questions of and recommendations made by shareholders at the shareholders' general meeting. Article 71 of the Guidance for AOA
- Article 82** The person who presides over the meeting shall announce the number of shareholders or proxies who attend the on-site meeting and the total shares carrying voting rights held by them prior to the voting, which shall be on the basis of the register of the meeting. Article 72 of the Guidance for AOA
- Article 83** Minutes of a shareholders' general meeting shall be recorded, which is the responsibility of the secretary to the Board. Article 73 of the Guidance for AOA

The minutes of the meeting shall record the following:

- (I) time, place, agenda of meeting and the name of the convener;
- (II) names of the chairperson of the meeting, directors, supervisors, managers and other senior management present at the meeting;
- (III) number of shareholders and proxies present at the meeting, total number of the shares with voting rights held by them, and the percentage of shares with voting rights held by them to the total number of shares of the Company;

- (IV) process of consideration for each resolution, the gist of speaking and voting results;
- (V) shareholders' questions or recommendations and the relevant explanation or illustration;
- (VI) names of the vote counter(s) and the scrutinizer(s);
- (VII) such other matters as required by these Articles of Association to be included in the minutes.

**Article 84** The convener should also ensure the truthfulness, accuracy and completeness of the minutes of the meeting. Directors, supervisors, the secretary to the Board, the convener or his/her representative and the chairperson of the meeting shall sign on the minutes of the meeting. The minutes of the meeting should be maintained with the register for signing of attending shareholders and the letters of authorization of their proxies, and voting information otherwise derived for a period not less than 10 years.

Article 74 of the Guidance for AOA

**Article 85** The convener shall ensure that the shareholders' general meeting is held without adjournment until the final resolution is reached. When special reasons such as force majeure events have led to the interruption or termination of the meeting, measures should be taken to resume the meeting, or to end the meeting directly with a timely announcement.

Article 75 of the Guidance for AOA

**Article 86** The resolutions of the shareholders' general meeting shall be classified as ordinary resolutions and special resolutions.

Article 76 of the Guidance for AOA

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 87** 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. 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.

Paragraph 1 of Article 103 of the Company Law  
Article 79 of the Guidance for AOA  
Rule 14, Appendix A1 to the Main Board Listing Rules

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 and regulations and the Hong Kong Stock Exchange 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 88** The following matters shall be approved by ordinary resolutions at a shareholders' general meeting:

Article 77 of  
the Guidance  
for AOA

- (I) work reports of the Board and the Supervisory Committee;
- (II) profit distribution plans and loss recovery plans formulated by the Board;
- (III) appointment and dismissal of the members of the Board and the Supervisory Committee (excluding employee representative supervisors), their remunerations and the method of payment thereof;
- (IV) annual financial budgets and final accounts;
- (V) annual report of the Company;
- (VI) matters other than those stipulated by laws, administrative regulations or these Articles of Association to be approved by special resolutions.

**Article 89** The following matters shall be approved by special resolutions at a shareholders' general meetings:

Article 78 of  
the Guidance  
for AOA

- (I) increase or reduction in registered capital of the Company;
- (II) division, spin-off, merger, dissolution and liquidation of the Company;
- (III) changes in the form of the Company;
- (IV) acquisition or disposal of material assets or provision of guarantee by the Company within one year with a value exceeding 30% of the latest audited total assets of the Company;
- (V) amendment to these Articles of Association;

- (VI) consideration and implementation of equity incentive scheme;
- (VII) repurchase of shares of the Company;
- (VIII) any other matter specified in the laws, administrative regulations or these Articles of Association 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;
- (IX) other matters requiring adoption by special resolutions pursuant to the Hong Kong Stock Exchange listing rules.

<b>Article 90</b>	A shareholder (including proxy) may exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one vote.	Article 79 of the Guidance for AOA
	The shares of the Company held by itself have no voting rights and shall not be counted as part of the total number of shares with voting rights at the shareholders' general meeting.	
<b>Article 91</b>	When a related party transaction is considered at the shareholders' general meeting, the related party shareholder(s) shall not take part in voting and the shares with voting rights held by them shall not be counted as the total valid votes; the announcement on the resolutions passed at the shareholders' general meeting should fully disclose the voting details of the non-related party shareholders.	Article 80 of the Guidance for AOA
<b>Article 92</b>	The name list of candidates of directors and supervisors shall be included in a proposal to be submitted to the shareholders' general meeting for voting.	Article 82 of the Guidance for AOA
<b>Article 93</b>	Voting for all resolutions proposed at a shareholders' general meeting shall be conducted on an item-by-item basis. For different resolutions on the same matter, voting related thereto shall be conducted based on the chronological order of the resolutions proposed. Unless a shareholders' general meeting is suspended or no resolution can be adopted due to force majeure events or other special reasons, no resolution shall be set aside or rejected for voting at the shareholders' general meeting.	Article 83 of the Guidance for AOA
<b>Article 94</b>	No amendment shall be made to a proposal when it is being considered at the shareholders' general meeting; otherwise, such amendment shall be deemed a new proposal and may not be voted at the current meeting.	Article 84 of the Guidance for AOA

<b>Article 95</b>	The same voting right shall only be exercised on site, or by other means. Where the same vote is cast for two or more times, the first cast shall hold.	Article 85 of the Guidance for AOA
<b>Article 96</b>	The shareholders' general meeting shall vote by open ballot.	Article 86 of the Guidance for AOA
<b>Article 97</b>	Before the relevant proposal is voted on at the shareholders' general meeting, two representatives of the shareholders shall be elected to take part in votes counting and scrutinizing. Any shareholder who is interested in the matter under consideration and his/her proxy shall not take part in votes counting or scrutinizing.  At the time of deciding on a proposal by voting at the shareholders' general meeting, shareholder representatives and supervisor representatives shall count and scrutinize the votes jointly, and announce the voting result forthwith. The voting result in connection with the resolution shall be recorded in the minutes of meeting.	Article 87 of the Guidance for AOA
<b>Article 98</b>	If the chairperson of the meeting has any doubt as to the result of a resolution which has been put to vote, he/she may have the ballots counted. If the chairperson of the meeting has not counted the ballots, any shareholder who is present in person or by proxy and who objects to the result announced by the chairperson of the meeting may, immediately after the declaration of the voting result, demand that the ballots be counted and the chairperson of the meeting shall have the ballots counted immediately.	Article 90 of the Guidance for AOA
<b>Article 99</b>	The chairperson of the meeting shall announce the voting results on each resolution, and announce if the resolution is passed pursuant to the voting results.  Prior to announcement of the voting results, any companies, vote counter, scrutineer, substantial shareholder, and other relevant parties involving in the voting at on-site shareholders' general meeting, or other means shall bear the confidentiality responsibility for the voting results.	Article 88 of the Guidance for AOA
<b>Article 100</b>	The shareholders attending the shareholders' general meeting shall express one of the following opinions on the proposal to be voted on: 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 mutual stock market access between the Mainland and Hong Kong, makes reporting in accordance with the instruction of the actual holder of relevant shares.	Article 89 of the Guidance for AOA

An unfilled, wrongly filled, or illegible vote, or an uncast vote shall be deemed to be a waiver of the voting right of the voter, and the voting result for the number of shares he/she holds shall be accounted as “abstain”.

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| <b>Article 101</b> | Resolutions of a shareholders’ general meeting shall be announced timely, and the announcement shall contain the number of shareholders and proxies present, the total number of voting rights and the percentage of their voting rights to the total of voting shares of the Company, means of voting, the voting result for each resolution and the details of each of the resolutions. | Article 91 of the Guidance for AOA |
| <b>Article 102</b> | If a resolution is not passed, or if a resolution of the previous shareholders’ general meeting is changed by the present shareholders’ general meeting, special notes in connection therewith should be made in the announcement of the resolutions of the shareholders’ general meeting.  | Article 92 of the Guidance for AOA |
| <b>Article 103</b> | In the event that a resolution in relation to election of directors or supervisors is passed at a shareholders’ general meeting, those newly elected shall assume office on the date on which the shareholders’ general meeting resolves to pass the relevant election resolution.  | Article 93 of the Guidance for AOA |
| <b>Article 104</b> | Should a shareholders’ general meeting pass resolutions regarding cash distribution, bonus issue or transfer of surplus reserve into share capital, the specific proposals shall be implemented within two months after the close of the shareholders’ general meeting.   | Article 94 of the Guidance for AOA |

## **Chapter 8 Party Organization**

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| <b>Article 105</b> | The Committee of the Communist Party of China Rizhao Port Jurong Co., Ltd. shall be established with the approval of the higher Party organization in accordance with the Party Constitution. At the same time, the Disciplinary Inspection Committee of the Communist Party of China Rizhao Port Jurong Co., Ltd. was established in accordance with relevant regulations. The party organization is subordinate to the Committee of the Communist Party of China Shandong Port Rizhao Port Group Co., Ltd.. |
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- Article 106** The leading group of the Company's Party organization shall be equipped based on the management authority in accordance with the Party Constitution, the Rules of Primary-level Party Organizations of State-owned Enterprises (for trial implementation) (《中國共產黨國有企業基層組織條例(試行)》) and other provisions. The leading group of the Party Committee of the Company consists of no more than 9 members in principle, including 1 secretary of the Party Committee, 1 deputy secretary and 1 secretary of Committee for Discipline Inspection.
- Article 107** Party organizations shall be established level by level in accordance with relevant regulations, Party affairs operation mechanism shall be established and improved, and Party affairs staff shall be staffed. The Company shall provide necessary conditions for the activities of the Party organization and guarantee the operation funds of the Party organization. The Company's Party organization conducts regular general elections in accordance with the Regulations Governing CPC Grassroots Elections.
- Article 108** The Party Committee of the Company shall play the leadership role, setting the direction, keeping in mind the big picture and ensuring the implementation of the Party policies and principles, discussing and deciding on major company matters in accordance with regulations. Major business and management matters shall be studied and discussed by the Party Committee before the board of directors or the management makes a decision in accordance with the terms of reference and prescribed procedures. The main responsibilities are:
- (I) to enhance the political building of the Party in the Company, adhere to and implement the fundamental system, basic system and important system of socialism with Chinese characteristics as well as educate and guide all Party members to maintain a high degree of consistency with the Party Central Committee with Comrade Xi Jinping as the core in the political stance, political direction, political principles and political path;



- (II) to thoroughly study and implement Xi Jinping Thought on socialism with Chinese characteristics in the new era, learn and propagate the Party's theory, thoroughly implement the Party's line, principles and policies, as well as supervise and guarantee the implementation of major strategy deployments of the Party Central Committee and the resolutions of the Party organization at higher levels in the Company, promote the Company's responsibility and mission, focus on the main responsibility, the main business, and service major national and provincial strategies to fully fulfill economic, political, and social responsibilities;
- (III) to investigate and discuss the significant operation and management matters of the Company and support the General Meeting of Shareholders, the Board of Directors, the Supervisory Committee and the management to exercise their rights in accordance with the laws;
- (IV) to strengthen the leadership and gatekeeping role in the process of selection and appointment of personnel of the Company, and the building of the leading team, cadre and talents team of the Company;
- (V) to undertake the main responsibility of overall and strict governance of the Party, lead and support the discipline inspection and supervision agencies to fulfill their supervisory and disciplinary responsibilities as well as strictly enforce political discipline and political rules, to promote Party self-governance in every aspect and with rigor into the primary-level;
- (VI) to strengthen the building of the Party on the style of work, strictly follow the spirit of the eight requirements of the central government, and resolutely oppose the "formalism, bureaucracy, hedonism and extravagance", especially formalism and bureaucracy;
- (VII) to strengthen the building of primary-level Party organizations and of its contingent of Party members, and unite and lead employees company-wide to devote themselves into the reform and development of the Company;
- (VIII) to lead the Company's ideological and political work, the spirit and civilization progress, the United Front work and lead the Labour Union, Communist Youth League, Women's Organization and other mass organizations of the Company.



**Article 109** The Party Committee shall strictly control the authorization and decision-making plan of the Board to prevent irregular or excessive authorization. The Party Committee generally does not conduct preliminary research and discussion on decision-making matters authorized by the Board to the chairman and the management.

By insisting on and improving the leadership mechanism of “Dual Entry and Cross Appointment”, eligible members of the Party Committee may take seats in the Board of Directors and the management through statutory procedures, while eligible members of the Board of Directors and the management who are also Party members may take seats in the Party Committee in accordance with related regulations and procedures.

Generally, secretary of the Party Committee and chairman of the Board of Directors are held by the same person, while deputy secretary is assumed by the general manager who is also a Party member. Once a leader in higher-level enterprise concurrently serves as the chairman of the Board of Directors due to work arrangement, and where there is an executive director, the secretary of the Party Committee, the executive director and the general manager shall be generally held by one person. The secretary of the Party Committee may be assumed by the general manager who is also a Party member or may be appointed separately in accordance with the actual situation of the enterprise.

## **Chapter 9 Board of Directors**

### **Section 1 Directors**

**Article 110** Directors shall be natural persons, and none of the following persons may serve as a director of the Company:

Article 95 of  
the Guidance  
for AOA

- (I) persons without civil capacity or with limited capacity for civil acts;
- (II) persons who were sentenced for crimes of corruption, bribery, encroachment or embezzlement of property or disruption of the social and economic order, where five years have not lapsed following the serving of the sentence, or persons who were deprived of their political rights for committing a crime, where five years have not lapsed following the serving of the sentence;
- (III) persons who acted as directors, or factory managers or managers of companies or enterprises which were bankrupt or liquidated and who shall bear personal liabilities for the bankruptcy or liquidation of such companies or enterprises, where three years have not lapsed following the date of completion of such bankruptcy or liquidation;

- (IV) legal representatives of companies or enterprises that had their business licenses revoked and were ordered to close down as a result of infringing the law and shall bear personal liabilities therefore, where three years have not lapsed following the date of revocation of such business licenses;
- (V) persons who have a substantial amount of debts due and outstanding;
- (VI) persons who are imposed by the CSRC a ban from entering into the securities market for a period which has not yet expired;
- (VIII) other circumstances required by laws, administrative regulations or departmental rules.

If the Company elects or appoints directors in violation of the provisions of this article, the election, appointment or employment shall be invalid. In the event that the circumstances as stipulated herein during the term of appointment of directors, the Company shall dismiss him/her appointment.

## Article 111

Directors shall be elected or replaced at shareholders' general meetings and serve a term of 3 years. Directors are eligible for re-election upon the expiration of their terms. However, the successive terms of independent non-executive directors may not be more than 9 years.

A shareholders' general meeting may dismiss a director within his/her term of office by an ordinary resolution provided that the relevant laws and administrative regulations are observed (however, the claim of such director for damage compensation under any contract shall not be affected).

The term of a director shall start from the date on which the said director assumes office to the expiry of the current Board. If the term of office of a director expires but re-election is not made responsively, the said director shall continue fulfilling the duties as director pursuant to relevant laws, administrative regulations, departmental rules and these Articles of Association until a new director is elected.

A director may be a manager or other senior management concurrently, provided that the total number of directors who concurrently serve as the manager or other senior management and directors who are representatives of the employees shall not exceed half of the total number of directors of the Company.

Article 96 of  
the Guidance  
for AOA  
Article 45 of  
the Company  
Law  
Rule 4(3),  
Appendix A1 to  
the Main Board  
Listing Rules

**Article 112** Directors shall comply with laws, administrative regulations, and these Articles of Association, and bear the following faithful obligations to the Company:

- (I) not to take advantage of his/her functions and power to accept bribes or other illegal incomes, and not to misappropriate the property of the Company;
- (II) not to misappropriate funds of the Company;
- (III) not to deposit the Company's assets or funds in an account opened in their own name or in the name of any other individual;
- (IV) not to lend the Company's funds to others or use the Company's assets as security for others in violation of these Articles of Association and without the approval of the shareholders' general meeting or the Board;
- (V) not to enter into contracts or transactions with the Company in violation of these Articles of Association or without the approval of the shareholders' general meeting;
- (VI) not to take advantage of their positions to seek business opportunities that shall belong to the Company for themselves or others, or engage in business similar to that of the Company for themselves or others, without the approval of the shareholders' general meeting;
- (VII) not to accept and keep privately commissions on transactions with the Company;
- (VIII) not to disclose the secrets of the Company without authorization;
- (IX) not to damage the interests of the Company by taking advantage of their connected relationships;
- (X) other faithful obligations specified by laws, administrative regulations, departmental rules and these Articles of Association.

Article 97 of  
the Guidance  
for AOA

The income derived by the directors in violation of this article shall be returned to the Company; and they shall be liable for compensation if losses caused to the Company.

**Article 113** Directors shall comply with the laws, administrative regulations and these Articles of Association, and bear the following diligence obligations to the Company:

- (I) to exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the requirements of PRC laws, administrative regulations and relevant PRC economic policies and are not beyond the business scope specified in the business license of the Company;
- (II) to treat all shareholders impartially;
- (III) to keep informed of the operation and management conditions of the Company in a timely manner;
- (IV) to approve periodic reports of the Company in written form; to ensure that all information disclosed is true, accurate and complete;
- (V) to provide status reports and information to the Supervisory Committee honestly, and not to hinder the Supervisory Committee or supervisors from exercising their powers;
- (VI) other diligence obligations specified by laws, administrative regulations, departmental rules, and these Articles of Association.

Article 98 of  
the Guidance  
for AOA

**Article 114** A director may resign before his/her term of office expires. In resigning his/her duties, a director shall tender a written resignation to the Board. The Board will disclose relevant information within two days.

Paragraph 2 of  
Article 45 and  
paragraph 3 of  
Article 108 of  
the Company  
Law

If any director resigns so that the membership of the Board falls short of the quorum, the said director shall continue fulfilling the duties as director pursuant to relevant laws, administrative regulations, departmental rules and these Articles of Association until a new director is elected.

Rules 4(2) and  
4(3), Appendix  
A1 to the Main  
Board Listing  
Rules

Save as provided in the preceding paragraph, a director's resignation shall be effective when his/her resignation is served to the Board.

Subject to relevant laws and regulations, and regulatory rules of the place where the Company's shares are listed, if the Board appoints a new director to fill a temporary vacancy, the appointed director shall be subject to election by shareholders at the first annual general meeting after the appointment.

Any person appointed as director by the Board to fill a temporary vacancy or add the quota of directors of the Board shall serve until the first annual general meeting of the Company after the appointment, at which time the said person is eligible for re-election.

The Company is entitled to dismiss any director (including managing director or other executive director) within his/her term of office by an ordinary resolution at the shareholders' general meeting provided that no provision is made in laws (however, the claim of such director for damage compensation under any contract shall not be affected).

Rule 4(2),  
Appendix A1 to  
the Main Board  
Listing Rules

A notice of the intention to elect a person as director and a notice by that person indicating his/her acceptance of such election shall be given to the Company at least 7 days in advance.

The period of the aforesaid notice shall commence on the date on which the Company issues the notice of meeting for the election and shall end no later than 7 days (or earlier) prior to the date appointed for the meeting.

**Article 115** If resignation of a director takes effect or if his/her term of office expires, the said director shall go through all handover formalities with the Board. His/her honesty obligation to the Company and shareholders thereof shall not terminate automatically at the end of his/her term of office but shall still be valid within the reasonable period specified in these Articles of Association.

Article 101 of  
the Guidance  
for AOA

**Article 116** If any director fails to attend Board meetings in person or by proxy for two 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 99 of  
the Guidance  
for AOA

**Article 117** The Company shall have independent non-executive directors. Except as otherwise provided in this section, the provisions on the qualifications and obligations of directors in Chapter 13 of these Articles of Association shall apply to independent non-executive directors. At least one independent non-executive director of the Company shall be an accounting professional. Independent non-executive directors shall be equipped with adequate business or professional experience for competency, honestly fulfil their duties, and protect the interests of the Company, in particular the legitimate rights and interests of public shareholders, to ensure the sufficient representation of the interests of all shareholders. At least one independent non-executive director shall reside in Hong Kong on a regular basis.

Article 6 of  
the Opinions  
on Regulated  
Operation  
and In-depth  
Reform, Rule  
19A.18 of the  
Main Board  
Listing Rules

**Article 118** If any director leaves his/her office without authorization or violates the laws, administrative regulations, departmental rules or these Articles of Association 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 103 of the Guidance for AOA

**Article 119** Save as specified in these Articles of Association 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.

Article 102 of the Guidance for AOA

## **Section 2 Board of Directors**

**Article 120** The Company shall have a Board of Directors consisting of 6 to 9 directors. The number of independent non-executive directors, at any time, shall be at least 3, and shall represent more than one third of members of the Board.

Article 105 of the Guidance for AOA  
Articles 87 and 6 of the Opinions on Regulated Operation and In-depth Reform  
Articles 45 and 108 of the Company Law

Independent non-executive directors may directly report to the shareholders' general meeting, securities regulatory authorities under the State Council and other relevant authorities.

Rules 3.10 and 3.10A of the Main Board Listing Rules

A director may serve concurrently as general manager or other senior management member, but the directors serving concurrently as such shall not be more than half of the directors of the Company.

The Board shall have one chairman and one vice chairman. The chairman and vice chairman shall be elected or removed by more than half of all the directors, shall serve a term of 3 year, and is eligible for re-election.

The number of senior management members of the controlling shareholders serving concurrently as chairman or executive directors of the Company shall not exceed 2.

Directors need not hold shares of the Company.

Unless otherwise provided by relevant laws, regulations and the listing rules of the stock exchange where the Company's shares are listed, an independent non-executive director shall serve a term of 3 years and is eligible for re-election but shall not serve for more than 9 years.

**Article 121**

The Board shall be accountable to the shareholders' general meeting and exercise the following functions and powers:

Article 107 of  
the Guidance for  
AOA  
Article 46 of the  
Company Law  
Article 6 of  
the Opinions  
on Regulated  
Operation and  
In-depth Reform

- (I) convening shareholders' general meetings, making proposals or motions to the shareholders' general meeting for adoption of relevant matters, and reporting its work to the shareholders' general meeting;
- (II) executing the resolutions of the shareholders' general meetings;
- (III) determining the business plans and investment plans of the Company;
- (IV) formulating the annual financial budgets and final accounts of the Company;
- (V) formulating the profit distribution plans and loss recovery plans of the Company;
- (VI) formulating proposals for the increase or decrease of the registered capital of the Company, the issue of shares and corporate bonds or other securities, and the listing;
- (VII) formulating proposals for acquisition and disposal of material assets, repurchase of the Company's shares or merger, division, dissolution and changes in the form of the Company;
- (VIII) deciding on the internal management setup of the Company;
- (IX) deciding on appointment or dismissal of the Company's general manager and secretary to the Board; deciding on appointment or dismissal of the Company's deputy general manager, chief financial officer and other senior management members as nominated by the general manager;
- (X) determining the remunerations of the aforesaid senior management members;
- (XI) managing the information disclosure of the Company;
- (XII) formulating the Company's fundamental management system;
- (XIII) formulating proposals for any amendment to these Articles of Association;



- (XIV) proposing to the shareholders' general meeting to appoint or replace an accounting firm;
- (XV) listening to the work reports of the general manager and other senior management members of the Company and checking their work;
- (XVI) deciding on external investment, external guarantee, etc. of the Company within the authority granted by the shareholders' general meeting;
- (XVII) deciding on investment, acquisition or sale of assets, financing, connected person transactions, etc. as specified in the Hong Kong Stock Exchange listing rules;
- (XVIII) deciding on other important issues of the Company, other than those which shall be resolved at shareholders' general meetings pursuant to the Company Law and these Articles of Association;
- (XIX) exercising other functions and powers conferred by the laws and regulations, Hong Kong Stock Exchange listing rules, these Articles of Association or shareholders' general meetings.

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

The Board shall also be responsible for the following issues:

- (I) formulating the Company's corporate governance system and reviewing and improving its corporate governance;
- (II) reviewing and supervising the training for and continuous professional development of directors and senior management;
- (III) reviewing and supervising the systems formulated and observation thereof by the Company and making relevant disclosures as per the laws and relevant provisions of the securities regulatory authority of the place where the Company's shares are listed;
- (IV) working out the Company's code of conduct and relevant compliance manual for its employees and directors, and reviewing and supervising their behaviors.

The Board shall be responsible for the above corporate governance functions and may also assign its responsibilities to one or more special committees under it.

- Article 122** The Board shall explain to the shareholders' general meeting any non-standard auditors' opinions issued by the certified accountants regarding the financial statements of the Company. Article 108 of the Guidance for AOA
- Article 123** The Board shall formulate the rules of procedure of the Board, for the purpose of ensuring the implementation by the Board of the resolutions of the shareholders' general meeting, enhancing work efficiency, and guaranteeing scientific decision making. Article 109 of the Guidance for AOA
- Article 124** The Board shall determine the authority of outbound investment, acquisition and disposal of assets, asset mortgages, external guarantees, entrusted wealth management, related party transactions and external donations, and set up strict inspection and decision-making procedures; for important investment projects, the Board shall organize relevant experts and professionals to review and report at the shareholders' general meeting for approval. Article 110 of the Guidance for AOA
- Article 125** For the disposal of any fixed assets by the Board, if the aggregate of the expected value of the fixed assets proposed to be disposed of and the value of the fixed assets which had been disposed of within 4 months immediately preceding such proposal for disposal exceeds 33% of the fixed assets value shown in the most recent balance sheet reviewed at a shareholders' general meeting, the Board shall not dispose of or approve the disposal of such fixed assets without the approval by the shareholders' general meeting. Article 110 of the Guidance for AOA  
Article 4 of the Opinions on Regulated Operation and In-depth Reform
- The disposal of fixed assets referred to in this article includes the transfer of interests of certain assets, but excludes the provision of fixed assets as pledges to any guarantees.
- Any breach of paragraph 1 of this article shall not affect the validity of any transaction entered into by the Company in disposing of fixed assets.
- Article 126** The chairman shall exercise the following functions and powers: Article 112 of the Guidance for AOA
- (I) to preside over shareholders' general meetings and to convene and preside over Board meetings;
  - (II) to supervise and examine the implementation of the resolutions of the Board;

- (III) to sign the share, corporate bonds and other negotiable securities issued by the Company;
- (IV) to exercise other functions and powers specified in laws and regulations or these Articles of Association and granted by the Board.

Where the chairman cannot fulfil the duty thereof, the vice chairman shall preside. Where even the vice chairman cannot or fails to fulfil the duty thereof, more than half of the directors shall jointly elect a director to fulfil the said duty.

The Board may, if necessary, authorize the chairman to exercise part of its functions and powers during its inter-session period.

**Article 127** Board meetings shall be held at least 4 times a year, and shall be convened by the chairman.

Article 115 of  
the Guidance  
for AOA  
Article 110 of  
the Company  
Law

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 chairman;
- (IV) proposed by more than two independent non-executive directors;
- (V) proposed by the Supervisory Committee;
- (VI) proposed by the general manager.

**Article 128** A notice of Board meeting shall be served to all the directors, supervisors and the general manager 14 days in advance in the event of a regular meeting or 3 days in advance in the event of an extraordinary meeting. The responsible body of the Company shall serve a written meeting notice to all the directors, supervisors and the general manager by direct delivery, fax, 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.

The notice of a Board meeting shall contain the following particulars:

- (I) the date and venue of the meeting;
- (II) the duration of the meeting;
- (III) reasons for convening the meeting and the topics thereof;
- (IV) the date of issue of notice.

**Article 129** 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 130** A Board meeting shall be attended by more than half of the directors.

Every director shall have the right to one vote. Save as otherwise specified in laws, administrative regulations or these Articles of Association, resolutions made by the Board shall be passed by more than half of all directors.

Where a director has a connected relationship with the enterprise involved in resolutions of the Board meeting, he/she shall not exercise the right to vote on the resolutions, nor shall he/she exercise the right to vote on behalf of another director. The Board meeting can be held by more than half of the uninterested directors. The resolutions of the Board meeting shall be adopted by more than half of the uninterested directors. If the number of uninterested directors present at the Board meeting is less than three, the matter shall be submitted to the shareholders' general meeting for consideration.

Articles 118 and 119 of the Guidance for AOA  
Article 124 of the Company Law

**Article 131** 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 specifying the scope of authorization, the validity, the proxy's name and the proxy matter, and shall be signed and sealed by the principal.

Article 121 of the Guidance for AOA

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 shall be deemed to have waived his/her rights to vote at the meeting.

**Article 132** 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 of Association, in strict accordance with the specified procedure. Directors may require providing supplementary information. If more than one fourth of the directors or more than two independent non-executive 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.

Articles 3 and 6 of the Opinions on Regulated Operation and In-depth Reform

**Article 133** 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 of Association.

## Article 134

The Board shall file resolutions of the meeting as minutes, which shall be signed by the attending directors and the minutes recorder. 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 of Association, 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. The minutes of Board meetings shall be kept in the Company's archives for a period of not less than ten years.

Articles 122  
and 123 of the  
Guidance for  
AOA

The minutes of the Board meeting shall contain the following particulars:

- (I) the date and venue of the meeting and the name of the convener;
- (II) names of the directors present and of directors appointed as proxies to attend the Board meeting;
- (III) the agenda of the meeting;
- (IV) main points made by the directors;
- (V) the voting method and results of each proposal (the results shall indicate the number of votes for, against or abstain).

## Section 3 Special Committees under the Board

## Article 135

Under the Board are three special committees, i.e. Audit Committee, Remuneration Committee and Nomination Committee, whose composition and rules of procedures are resolved separately by the Board. The Board may establish other special committees as required. As ad hoc committees under the Board which provide advice and consulting for the Board on important decisions, these special committees shall not make any decision in the name of the Board. However, the committees may exercise the right to make decision according to the special authorization of the Board. The three special committees are:

Code provision  
D.3.3,  
Appendix C1 to  
the Main Board  
Listing Rules

Code provision  
E.1.2, Appendix  
C1 to the Main  
Board Listing  
Rules

Code provision  
B.3.1, Appendix  
C1 to the Main  
Board Listing  
Rules

- (I) Audit Committee whose major duties include: to guide, examine and supervise the construction of the Company's systems and mechanisms in respect of financial control, risk management and internal control; to make recommendations to the Board on the appointment, reappointment or change of

such intermediaries as accounting firms, and their remuneration and terms of appointment; to review and supervise whether the external auditors are independent and objective and whether audit procedures are effective; to formulate and implement policies on non-audit services provided by the external auditors; to supervise and review the integrity of the Company's financial reports, annual reports, accounts, interim reports and quarterly reports (if any), and to review major opinions on relevant financial reporting set out in the statements and reports; to consider the Company's financial and accounting policies and relevant changes, and to provide relevant opinions to the Board; to make recommendations to the Board on the appointment and dismissal of the person in charge of the Company's internal audit institutions; to supervise the formulation and implementation of the Company's internal audit system; to evaluate and supervise the integrity and effectiveness of the Company's audit system; to keep good communication with the Supervisory Committee and the Company's internal and external audit institutions, and to ensure it has sufficient resources to carry out its internal audit function in the Company at a proper position and supervise its effectiveness.

- (II) Remuneration Committee whose major duties include: to propose recommendations to the Board with respect to the overall remuneration policies and structures for the directors and senior management of the Company and the establishment of formal and transparent procedures for formulation of remuneration policies; to assess performance of executive directors, and review and approve the executive directors' compliance with the terms of their contracts; to give advice to the Board on certain remuneration packages of all executive directors and senior management, including non-monetary benefits, pension rights and compensation amounts (including the compensation for the loss or termination of office or appointment), and the remuneration of non-executive directors; to review and approve the recommendations on remuneration of management with reference to the corporate goals as approved by the Board from time to time; to review and approve the compensation that should be paid to executive directors and senior management for any loss or termination of their office or appointment, so as to ensure the said compensation conforms to the terms of relevant contract; in case of any inconformity, the said compensation shall be fair and reasonable and will not result in excessive burden to listed companies; to review and approve the compensation arrangement in connection with



dismissal or removal of relevant directors for their misconduct, so as to ensure such arrangement conforms to relevant contract terms; in case of any inconformity, relevant compensation shall be reasonable and appropriate; to ensure that any director or any of his/her associates does not participate in the determination of his/her own remuneration; to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

- (III) Nomination Committee whose major duties include: to regularly review the structure, size and composition (including the skills, knowledge and experience) of the Board at least every year, and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; to extensively search for qualified candidate directors, to make initial examination of candidate directors and general managers, and to offer suggestions to the Board on relevant selection; to review the independency of independent non-executive directors; to study and make recommendations on the standards and procedures for the selection of candidate directors and general managers; and to give advice to the Board on the appointment or reappointment of directors or the general manager and the succession planning for directors (including the chairman) and the general manager.

## **Chapter 10 Secretary to the Board of the Company**

**Article 136** The Company shall have a secretary to the Board, who shall be a senior management member of the Company.

**Article 137** 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:

Article 133 of  
the Guidance  
for AOA

Article 123 of  
the Company  
Law

- (I) to ensure that the Company has complete organization documents and records, keep and manage shareholders' information and help directors with daily works of the Board;
- (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, 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) as the liaison of the Company with the securities regulatory authorities, to be responsible for organizing, preparing and timely submitting the reports and documents required by the regulatory authorities as well as accepting and organizing the implementation of relevant assignment from the regulatory authorities;
- (IV) 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;
- (V) 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;
- (VI) to exercise other functions and powers as conferred by the Board, as well as other functions and powers as required by laws and regulations and the stock exchange of the place where the Company's shares are listed.

**Article 138** A director or senior management member of the Company may serve concurrently as secretary to the Board. The accountants of the accounting firm appointed by the Company and managers of controlling shareholders shall not serve concurrently as secretary to the Board.

Article 1 of  
the Opinions  
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Operation  
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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.

## Chapter 11 General Manager and Other Senior Management Members

- Article 139** The Company shall have one general manager who shall be appointed or dismissed by the Board, and shall have 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 the general manager, deputy general manager or other senior management members.
- Persons who hold administrative posts other than directors and supervisors in the controlling shareholder units of the Company shall not serve as senior management of the Company.
- The emoluments of the Company's senior management shall be only paid by the Company, not by the controlling shareholders.
- Article 140** The general manager shall serve a term of three years, and may be re-elected for successive terms.
- Article 141** The general manager shall be accountable to the Board and exercise the following functions and powers:
- (I) to manage the production, operation and management of the Company and report to the Board;
  - (II) to organize the implementation of the resolutions of the Board and the annual business plans and investment plans of the Company;
  - (III) to formulate the Company's annual financial budgets and final accounts, and make recommendations to the Board on the same;
  - (IV) to formulate the fundamental management system and internal management setup of the Company;
  - (V) to formulate the specific rules of the Company;
  - (VI) to propose the appointment or dismissal of deputy general managers, chief financial officers and other senior management members according to these Articles of Association and the Company's relevant internal control system;
  - (VII) to decide to appoint or dismiss managers and general employees other than those appointed or dismissed by the Board according to these Articles of Association and the Company's relevant internal control system;

Articles 124  
and 126 of the  
Guidance for  
AOA

Article 128 of  
the Guidance  
for AOA

- (VIII) to decide on the Company's other issues within the scope authorized by the Board;
- (IX) 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;
- (X) to exercise other functions and powers as conferred by these Articles of Association 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 142** 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 143** In the exercise of his/her functions and powers, the general manager shall fulfil the obligation of honesty and diligence in accordance with laws, administrative regulations and these Articles of Association.

Article 125 of  
the Guidance  
for AOA

**Article 144** The Company shall have one chief financial officer, who shall be appointed or dismissed by the Board. The chief financial officer shall be accountable to the Board and the general manager.

**Article 145** The general manager shall formulate work regulations for managers, which shall be submitted to the Board for approval before implementation.

The work regulations for general manager shall include the following:

- (I) the conditions, procedures and attendants of the managers' meeting;
- (II) duties and respective responsibilities of the managers and other senior management staff;
- (III) operation of fund, assets, authorities of execution of material contracts of the Company, and the report mechanism to the Board and the Supervisory Committee;
- (IV) other matters deemed as necessary by the Board.

Articles 129  
and 130 of the  
Guidance for  
AOA

**Article 146** The general manager may resign before the end of his/her tenure. The specific procedures and methods for the resignation of the general manager shall be stipulated in the employment contract between the manager and the Company.

## **Chapter 12 Supervisory Committee**

**Article 147** The Company shall have a Supervisory Committee, which shall exercise its supervisory function in accordance with the provisions of the laws, administrative regulations and these Articles of Association.

Article 131 of the Guidance for AOA

**Article 148** The Supervisory Committee shall comprise three supervisors, including one chairman. A supervisor shall serve a term of three years, and may be reelected for successive terms.

Article 138 of the Guidance for AOA

If the term of office of a supervisor expires but the supervisor is not re-elected in time, or the resignation of the supervisor during the term of office causes the number of members of the Supervisory Committee to be less than the quorum, the former supervisor shall still perform the duties as a supervisor in accordance with the provisions of laws, administrative regulations and these Articles of Association before the re-elected or the newly elected supervisor takes office.

Article 139 of the Guidance for AOA

Article 144 of the Guidance for AOA

The chairman shall be appointed or removed by the votes of more than two thirds of the members of the Supervisory Committee. Resolutions of the meeting of the Supervisory Committee shall be approved by more than two thirds of the members of the Supervisory Committee.

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The meetings of the Supervisory Committee shall be convened and presided over by the chairman of the Supervisory Committee. Where the chairman of the Supervisory Committee is unable or fails to fulfill the duties thereof, the vice chairman of the Supervisory Committee shall convene and preside over the meeting; and where the vice chairman of the Supervisory Committee is unable or fails to perform such functions, a supervisor elected by more than half of the supervisors shall convene and preside over the meeting.

Article 7 of the Opinions on Regulated Operation and In-depth Reform

**Article 149** The membership of the Supervisory Committee shall include two shareholder representatives and one employee representative. Specifically, the employee representative supervisor in the Supervisory Committee shall be elected democratically at the Company's employee representatives' meetings, employees' meetings or in other forms.

Paragraph 2, Article 117 of the Company Law

<b>Article 150</b>	Directors, the general manager and other senior management members shall not serve as supervisors concurrently.	Paragraph 4, Article 117 of the Company Law
<b>Article 151</b>	<p>The Supervisory Committee shall be accountable to the shareholders' general meeting and exercise the following functions and powers:</p> <ul style="list-style-type: none"> <li>(I) to supervise any acts of directors, the general manager and other senior management members in their performance of duties that violate the laws, administrative regulations and these Articles of Association, and to propose dismissal of any directors and senior management members who violate the laws, administrative regulations, these Articles of Association or the resolutions of shareholders' general meetings;</li> <li>(II) to require directors and senior management members to make corrections if their conduct has damaged the interests of the Company;</li> <li>(III) to review the financial operations of the Company;</li> <li>(IV) to examine financial information such as financial reports, business reports and profit distribution plans as proposed by the Board to the shareholders' general meeting, and if there are any queries, to engage certified public accountants or practicing auditors in the name of the Company to assist its review;</li> <li>(V) to propose the convening of extraordinary general meetings and, in case that the Board does not perform the obligations to convene and preside over the shareholders' general meetings in accordance with the Company Law, to convene and preside over the shareholders' general meetings;</li> <li>(VI) to submit proposals to the shareholders' general meeting;</li> <li>(VII) to negotiate with directors and lodge legal actions against the same on behalf of the Company;</li> <li>(VIII) to propose to convene an extraordinary Board meeting;</li> <li>(IX) to initiate legal proceedings against the directors and senior management members in accordance with Article 151 of the Company Law;</li> </ul>	<p>Article 7 of the Opinions on Regulated Operation and In-depth Reform</p> <p>Article 53 of the Company Law</p> <p>Article 145 of the Guidance for AOA</p> <p>Article 141 of the Guidance for AOA</p>

- (X) to conduct investigation if there are any unusual circumstances in the Company's operations; and if necessary, to engage accounting firm(s), law firm(s), or other professional institutions to assist in their work with expenses to be borne by the Company;
- (XI) to review the regular reports of the Company prepared by the Board and to provide written review opinions thereon;
- (XII) to exercise other functions and powers stipulated by laws, administrative regulations and these Articles of Association.

Supervisors shall be present at the Board meetings, and raises inquiries or suggestions on matters need to be resolved by the Board.

**Article 152** Regular meetings of the Supervisory Committee shall be held at least once every six months, and shall be convened by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee is unable or fails to perform his/her duties, more than half of the supervisors may elect a supervisor to convene and preside over the meetings of the Supervisory Committee.

Articles 147 and 149 of the Guidance for AOA

Paragraph 3, Article 117 of the Company Law

Supervisors may propose to convene an extraordinary meeting of the Supervisory Committee.

Where the Supervisory Committee convenes a regular or an extraordinary meeting, staff of the Supervisory Committee shall send a written notice of the meeting to all supervisors by hand, fax, email or other means within a reasonable period in advance. Where the notice is not served directly, telephone acknowledgement and relevant records shall be made.

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

The notice of a meeting of the Supervisory Committee shall contain the following particulars:

- (I) the date, venue and duration for convening the meeting;
- (II) reasons for convening the meeting and the topics thereof;
- (III) the date of issue of notice.



The Supervisory Committee shall formulate the rules of procedures for the Supervisory Committee, and stipulate its methods of discussion of matters and voting procedures, so as to ensure its efficient operation and reasonable decision-making.

**Article 153** Matters shall be considered by the Supervisory Committee in the following manners: any voting at the meetings of the Supervisory Committee shall be made on a one-person-one-vote basis by open ballot or in writing. The resolutions of the Supervisory Committee shall be adopted by more than half of the supervisors.

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Article 146 of  
the Guidance  
for AOA

The voting procedure is that the voting intent of a supervisor may be pro, con or abstention. Every attending supervisor shall choose one out of the aforesaid intents. Where any supervisor does not make any option or makes two or more options, the chairman of the meeting shall require the said supervisor to make an option again, otherwise the said supervisor shall be deemed as having abstained from voting; any supervisor who has left the meeting midway without coming back and has not made any option shall be deemed as having abstained from voting.

The Supervisory Committee shall file resolutions on matters discussed at the meeting as minutes, which shall be signed by the attending supervisors. Any supervisor shall have the right to have an explanatory note made in the minutes regarding his/her speech at the meeting. The minutes of the meeting of the Supervisory Committee shall be kept in the domicile of the Company for at least ten years.

In the case of voting by means of communications, supervisors shall sign and return by fax the voting instruments containing the written opinions and voting intentions in respect of the matters discussed to the Supervisory Committee. The supervisors shall not merely provide voting opinions without expressing their written opinions or reasons for voting. Supervisors who cast votes by means of communications shall submit the signed original copy of the voting paper to the Supervisory Committee within the period stipulated in the notice of the meeting.

**Article 154** Supervisors shall ensure that the information disclosed by the Company is true, accurate and complete, and sign written confirmation opinions on periodic reports.

Article 140 of  
the Guidance  
for AOA

**Article 155** Supervisors shall honestly fulfil the supervisory duty in accordance with relevant laws, administrative regulations and these Articles of Association. It shall bear the faithful obligations and diligence obligations to the Company. They shall not take bribes or other illegitimate benefits by making use of their functions and powers, or seize the properties of the Company.

Articles 137 and 142 of the Guidance for AOA

Article 143 of the Guidance for AOA

Supervisors shall not use their connected relationships to impair the interests of the Company; in the event of causing losses to the Company, they shall be liable for compensation.

A supervisor who violates laws, administrative regulations, departmental rules or these Articles of Association and causes losses to the Company in performing his/her duties shall be liable for compensation.

### **Chapter 13 Qualifications and Obligations of Directors, Supervisors and Senior Management of the Company**

**Article 156** A person shall not serve as director, supervisor, general manager or other senior management members of the Company if:

Article 95 of the Guidance for AOA

Article 146 of the Company Law

- (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 and 5 years have not elapsed since the completion date of the execution of the penalty; 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;
- (III) he/she was ever 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 three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;
- (IV) he/she was ever 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 three years have elapsed since the date when the business license of the company or enterprise was revoked;

- (V) he/she has a relatively large amount of outstanding mature debt;
- (VI) he/she is under criminal investigation by the judicial authorities, and such cases have not been closed;
- (VII) he/she is disqualified as corporate leader in laws and administrative regulations;
- (VIII) he/she is not a natural person;
- (IX) he/she was ruled by the relevant regulatory authority that he/she has violated the relevant securities regulations and committed any fraudulent or dishonest act, where less than five years have lapsed since the date of ruling;
- (X) the circumstances stipulated by relevant laws and regulations of the place where the Company's shares are listed.

#### **Article 157**

The Company shall conclude written contracts with its directors, supervisors and senior management in relation to their remunerations, subject to prior approval at a shareholders' general meeting. The written contracts shall at least cover the following matters:

Article 116 of  
the Company  
Law

- (I) the directors, supervisors and senior management members shall undertake to the Company to observe Company Law, Special Regulations, these Articles of Association, Code on Takeovers and Mergers, Code on Share Repurchase and other regulations stipulated by Hong Kong Stock Exchange, and agree that the Company is entitled to remedial measures under these Articles of Association and that the said contracts and the positions as directors, supervisors and senior management members shall not be transferred;
- (II) the directors, supervisors and senior management shall undertake to the Company representing respective shareholders to fulfil their due duties for the shareholders as specified in these Articles of Association;

The aforesaid remunerations shall include:

- (I) remunerations as directors, supervisors or senior management of the Company;
- (II) remunerations as directors, supervisors or senior management of subsidiaries of the Company;

- (III) remunerations for providing other services for the management of the Company and subsidiaries thereof; and
- (IV) compensations for the said directors or supervisors for losing their positions or for retirement.

Save as specified in the aforesaid contracts, the directors or supervisors shall not pursue legal action against the Company for any interests due to them in respect of the matters mentioned above.

The Company shall regularly disclose the remuneration received by a director, supervisor or senior management member from the Company to the shareholders.

## **Chapter 14 Financial Accounting System**

**Article 158** 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 159** The Company shall adopt the Gregorian calendar year for its fiscal year, i.e. the fiscal year shall be from 1 January to 31 December.

Paragraph 1 of  
Article 164 of  
the Company  
Law

At the end of each fiscal year, the Company shall prepare a financial report which shall be audited and verified 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 either international accounting standards, or that of the place overseas where the Company's shares are listed. 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.

In distributing its after-tax profits of the relevant fiscal year, the lower of the after-tax profits as shown in the aforesaid two financial statements shall be adopted.

**Article 160** The Board of Directors of the Company shall place before the shareholders at annual 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 161** The Company shall not set up other account books except for the statutory account books. No Company assets may be deposited into any individual's account.

**Article 162** The Company's financial reports shall be made available for shareholders' inspection at the Company 20 days before the date of the annual 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 article shall include the directors' report 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.

Such financial report (including every document required by laws and regulations to be annexed to the balance sheet) may be published on the website designated by the Hong Kong Stock Exchange and the website of the Company, subject to the laws, administrative regulations and the listing rules of stock exchanges where the Company's shares are listed; or may be delivered to the holders of the overseas listed foreign shares by other means stipulated by the listing rules of stock exchanges where the Company's shares are listed.

**Article 163** The Company shall announce two financial reports each fiscal year, i.e. interim financial report announced within 60 days after the end of the first six months of the fiscal year and the annual financial report announced within 120 days after the end of the fiscal 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 international accounting standards or the accounting standards of the place overseas where the Company's shares are listed.

## Chapter 15 Profit Distribution

**Article 164** 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.

Article 166 of  
the Company  
Law  
Article 153 of  
the Guidance  
for AOA

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 available for distribution to shareholders shall be distributed by the Company to the shareholders in proportion to their respective shareholdings according to the resolutions adopted at the shareholders' general meeting.

If the shareholders' general meeting has, in violation of the provisions of the preceding article, 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 165** The reserve fund of the Company can be applied for making up for losses of the Company, expansion of the Company's production and operation or capitalization for capital increase of the Company, but the capital reserve fund cannot be applied for making up for losses of the Company.

Article 168 of  
the Company  
Law

Article 154 of  
the Guidance  
for AOA

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

**Article 166**

After the shareholders' general meeting of the Company has resolved on the profit distribution plan, or after the Board of the Company has formulated a specific plan according to the interim dividend conditions and caps for the next year considered and approved at the annual general meeting, the distribution of dividends (or bonus shares) shall be completed within two months.

Article 155 of  
the Guidance  
for AOA

**Article 167**

The Company shall appoint a payment receiving agent for holders of overseas listed foreign 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 overseas listed foreign shares, and such payment shall be kept by the payment receiving agent on such shareholders' behalf for any payment to them.

Rule 19A.51 of  
the Main Board  
Listing Rules

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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.

The payment receiving agent appointed by the Company for holders of overseas listed foreign shares listed in the Hong Kong Stock Exchange shall be a trust company registered under the Trustee Ordinance of Hong Kong.

The Company has the power to cease sending dividend warrants by post to a holder of overseas listed foreign 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 overseas listed foreign shares with whom it loses contact, in a manner as its Board of Directors 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 168** Cash dividends and other monies paid by the Company to holders of domestic shares shall be paid in Renminbi. Cash dividends and other monies paid by the Company to holders of overseas listed foreign shares shall be stated and announced in Renminbi and paid in Hong Kong dollars. The foreign currency required for the payment of cash dividends and other monies by the Company to the holders of overseas listed foreign shares shall be arranged in accordance with the provisions of the PRC in relation to foreign exchange administration.

**Article 169** 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.

## **Chapter 16 Appointment of Accounting Firms**

**Article 170** The Company shall implement the internal audit system and appoint full-time auditors to supervise its financial revenues and expenditures and economic activities through internal audit. The Company's internal audit system and the duties of the auditors shall be implemented upon the approval of the Board. The chief auditor shall be accountable for and report to the Board.

Articles 157  
and 158 of the  
Guidance for  
AOA

**Article 171** The Company shall employ an accounting firm that complies with the provisions of the Securities Law to audit accounting statements, verify the net assets, and offer other relevant consulting services. The term of employment of the accounting firm shall be one year, and the appointment may be renewed.

Articles 159  
and 160 of the  
Guidance for  
AOA

The appointment of the accounting firm by the Company must be determined by the shareholder' general meeting. The Board may not appoint an accounting firm before it is approved by the shareholder' general meeting.

**Article 172** The accounting firm appointed by the Company shall hold office from the conclusion of the annual general meeting at which the appointment is made until the conclusion of the next annual general meeting.

<b>Article 173</b>	The Company shall provide the accounting firm with true and complete accounting vouchers, account books, financial accounting reports and other accounting information, and shall not reject, conceal or misstate any information.	Article 161 of the Guidance for AOA
<b>Article 174</b>	<p>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 the accounting firm has the right to state its opinions at the shareholders' general meeting at which its removal is voted on.</p> <p>If the accounting firm resigns, it shall make clear to the shareholders' general meeting whether there is any impropriety on the part of the Company.</p>	Article 163 of the Guidance for AOA
<b>Article 175</b>	The audit fees of an accounting firm shall be determined by the shareholders' general meeting.	Article 162 of the Guidance for AOA
<b>Article 176</b>	<p>Where a resolution at a shareholders' general meeting is passed to appoint an accounting firm other than the incumbent accounting firm to fill a casual vacancy in the office of accounting firm, or to reappoint an accounting firm that was appointed by the Board of Directors to fill a casual vacancy, or to remove an accounting firm before the expiration of its term of office, the following provisions shall apply:</p> <p>(I) The appointment or removal proposal shall be sent (before notice of the shareholders' general meeting is given) to the accounting firm proposed to be appointed or proposed to leave its post or the accounting firm which has left its post in the relevant fiscal year.</p> <p>Leaving includes leaving by removal, resignation and retirement.</p> <p>(II) If the accounting firm which is leaving its post makes statements in writing and requests the Company to give the shareholders notice of such statements, the Company shall (unless the statements have been received after the prescribed time) take the following measures:</p> <ol style="list-style-type: none"> <li>1. in any notice of meeting held for making the resolution, state the fact of the statements having been made by the leaving accounting firm; and</li> </ol>	Letter of Supplementary Opinions – No. 9

2. attach a copy of the statements to the notice and send it to each shareholder who is entitled to receive the notice of the shareholders' general meeting in the manner stipulated in these Articles of Association.
- (III) If the Company fails to send out the accounting firm's statements in the manner set out in (II) of this Article, such accounting firm may require that the statements be read out at the shareholders' general meeting and may make further complaints.
- (IV) The accounting firm which is leaving its post shall be entitled to attend the following meetings:
1. the shareholders' general meeting at which its term of office expires;
  2. the shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal; and
  3. the shareholders' general meeting which is convened as a result of its resignation.

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

**Article 177** The accounting firm may resign its office by depositing at the Company's legal address a written notice of resignation, which shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall include the following statements:

1. a statement that their resignation does not involve any information to be disclosed to the shareholders or creditors of the Company; or
2. a statement that any such information is to be disclosed.

The Company shall, within fourteen days after receipt of the written notice referred to in paragraph (2) of this Article, send a copy of the notice to the relevant governing authority. If the notice contains a statement under (II) (2) of this Article, a copy of such statement shall be placed at the Company for shareholders' inspection. The Company shall also send a copy of such statement by prepaid mail to every holder of overseas listed foreign shares (i.e. the shareholder who entitles to receive the financial report of the Company) at the address registered in the share register.

Where the accounting firm's notice of resignation contains a statement under (II) (2) of this Article, the accounting firm may require the Board of Directors to convene an extraordinary general meeting for the purpose of giving an explanation of the circumstances connected with its resignation.

## **Chapter 17 Notices**

**Article 178** Except as otherwise provided in these Articles of Association, notices, materials or written statements issued by the Company to its shareholders may be delivered by the following means:

Rule 2.07B of  
the Main Board  
Listing Rules

Rule 2.07A of  
the Main Board  
Listing Rules

- (I) by personal delivery;
- (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 exchanges where the Company's shares are listed;
- (V) by way of announcement;
- (VI) by any other means as agreed by the Company or 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 of Association, provided that the Company shall provide corporate communications to the holders of overseas listed foreign shares in accordance with the requirements of the Hong Kong Stock Exchange listing rules.

Unless the context otherwise specifies, the “announcement” referred to in these Articles of Association shall mean, in respect of announcements made to the holders of domestic shares or the announcements to be published in the PRC as required by the relevant requirements and these Articles of Association, 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; and the “corporate communications” referred to in these Articles of Association shall mean any document issued or to be issued by the Company for the information or action of holders of any of its securities or the investing public, including but not limited to: (1) the directors’ report, its annual accounts together with the auditors’ report; and, where applicable, its summary financial report; (2) the interim report and, where applicable, its summary interim report; (3) a notice of meeting; (4) a listing document; (5) a circular; and (6) a proxy form.

Holders of the Company’s overseas listed foreign shares may choose to receive printed copies of the corporate communications by mail, 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.

**Article 179** Save as otherwise specified in these Articles of Association, the means of service of notice specified in the preceding article shall apply to notice of the shareholders’ general meetings, Board meetings and meetings of the Supervisory Committee held by the Company.

Article 165 of  
the Guidance  
for AOA

If a notice of the Company is served by announcement, the said notice shall be deemed as received by all the relevant persons once the said notice is announced.

**Article 180** 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 48 hours 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. Such announcement shall be published on the newspapers or periodicals that satisfy the relevant requirements.

The accidental omission to give notice of the meeting to, or the non-receipt of notice of the meeting by, any person entitled to receive notice shall not invalidate the meeting or the resolutions passed at the meeting.

**Article 181** In the event that the listing rules of stock exchanges 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 (as per the intent stated by the shareholders) only send the English version or the Chinese version to the shareholders concerned to the extent permitted by the applicable laws and regulations and pursuant to the applicable laws and regulations.

## **Chapter 18 Merger and Division of the Company**

**Article 182** 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 establishment of a new entity means that a merger of two or more companies through the establishment of a new company and the companies being merged shall be dissolved.

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 newspaper at least three times within 30 days from the date of such resolution.

Upon the 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 183** Where the Company is divided, its properties shall be divided accordingly.

Articles 175 and 176 of the Company Law  
Articles 175 and 176 of the Guidance for AOA

In the event of a division, the Company shall 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 for at least three times in newspapers 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 184** The Company shall, in accordance with laws, apply for change in its registration with the company registration authority where a change in any item in its registration arises as a result of any merger or division. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with laws. Where a new company is established, the Company shall apply for registration thereof in accordance with laws.

Article 178 of the Guidance for AOA

Where the Company increases or reduces its registered capital, it shall apply to the companies registration authority to modify its registration in accordance with law.

## **Chapter 19 Dissolution and Liquidation of the Company**

**Article 185** In any of the following circumstances, the Company shall be dissolved:

Articles 179 and 180 of the Guidance for AOA  
Articles 180 and 182 of the Company Law

- (I) a special resolution on dissolution is passed at a shareholders' general meeting (such resolution shall be passed by a vote of at least two thirds of the total voting rights of the shareholders present and voting in person or by proxy at the shareholders' general meeting);
- (II) dissolution is necessary due to a merger or division of the Company;
- (III) its business license is revoked, or it is ordered to close up or to be revoked according to laws;



- (IV) 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;
- (V) the term of operation specified in these Articles of Association expires or any other circumstance for dissolution specified in these Articles of Association arises.

In the circumstance set out in (V) above, the Company may continue to subsist by amending these Articles of Association.

The amendments to these Articles of Association in accordance with provisions set out above shall require approval of more than two thirds of voting rights of shareholders (including their proxies) attending a shareholders' general meeting.

**Article 186** Where the Company is dissolved pursuant to (I), (III), (IV) and (V) of Article 185 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 of  
the Guidance  
for AOA  
Article 183 of  
the Company  
Law

**Article 187** 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 188** 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 on a newspaper. The creditors may declare their claims to the liquidation committee within 30 days from the date they receive such notice or within 45 days from the date of announcement if no such notice is received.

Article 183 of  
the Guidance  
for AOA

Article 185 of  
the Company  
Law

When declaring the claims, the creditors shall specify the relevant matters about the claims and provide evidences. 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 189** The liquidation committee shall, after examining the Company's assets 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.

Article 184 of  
the Guidance  
for AOA  
Article 186 of  
the Company  
Law

The assets of the Company shall be liquidated in the following order: after payment of liquidation expenses, staff wages, social insurance expenses and statutory compensation, payment of outstanding taxes, and payment of the Company's debts, the remaining assets shall be distributed by the Company according to the proportion of shares held by shareholders.

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

The assets of the Company shall not be distributed to any shareholder before full payments have been made out of the assets according to the preceding paragraph.

**Article 190** If the liquidation committee, having examined the Company's assets and having prepared a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to pay its debts in full, it shall apply to the people's court for a declaration of insolvency in accordance with the law.

Article 185 of  
the Guidance  
for AOA  
Article 187 of  
the Company  
Law

After the people's court has declared the Company insolvent, the liquidation committee shall turn over any matters regarding the liquidation to the people's court.

**Article 191** Following the completion of liquidation, the liquidation committee shall prepare a report on liquidation and submit it to the shareholders' general meeting or the people's court for confirmation, and shall submit to the company registration authority to apply for cancellation of registration of the Company, and publish an announcement relating to the termination of the Company.

Article 186 of  
the Guidance  
for AOA

**Article 192** Members of the liquidation committee are required to discharge their duties honestly and fulfill their obligations of liquidation according to laws.

Articles 187  
and 188 of the  
Guidance for  
AOA

Members of the liquidation committee shall be prohibited from abusing their powers to accept bribes or other unlawful income and from misappropriating the Company's assets.

A member of the liquidation committee is liable to indemnify the Company or its creditors in respect of any loss arising from his/her intentional or gross negligence.

Where the Company is declared bankrupt in accordance with laws, it shall implement bankruptcy liquidation in accordance with relevant laws relating to bankruptcy of enterprise.

## **Chapter 20 Amendments to these Articles of Association**

**Article 193** The Company may amend these Articles of Association pursuant to laws, administrative regulations and these Articles of Association.

Article 189 of  
the Guidance  
for AOA

Under any of the following circumstances, the Company shall amend these Articles of Association:

- (I) after amendment has been made to the Company Law or relevant laws or administrative regulations, the contents of these Articles of Association are in conflict with the amended laws or administrative regulations;
- (II) the changes that the Company have undergone are inconsistent with the provisions of these Articles of Association;
- (III) the shareholders' general meeting has resolved to amend these Articles of Association;

- (IV) the Company submits the proposal for amendment to these Articles of Association or the amended Articles of Association to the company registration authority for record.

**Article 194** The following procedures shall be followed when amending these Articles of Association:

- (I) The Board shall firstly adopt a resolution for amendment to these Articles of Association and prepare a proposal for amendment to these Articles of Association;
- (II) The Board shall convene a shareholders' general meeting for voting on such proposal thereat;
- (III) The shareholders' general meeting shall approve such proposal by special resolution;
- (IV) The Company shall submit the proposal for amendment to these Articles of Association or the amended Articles of Association to the company registration authority for record.

**Article 195** Amendments to the Articles of Association passed by resolutions at the shareholders' general meeting, which require approval of the competent authorities, shall be submitted to the competent authorities for approval. Any amendments requiring alteration registration shall be filed for alteration registration according to the law.

Article 190 of  
the Guidance  
for AOA

**Article 196** The Board shall amend these Articles of Association in accordance with the resolutions of the shareholders' general meeting and the approval opinions of relevant competent authorities.

Article 191 of  
the Guidance  
for AOA

**Article 197** If the amendments to these Articles of Association are the information required to be disclosed by laws and regulations, they shall be announced in accordance with the regulations.

Article 192 of  
the Guidance  
for AOA

## **Chapter 21 Supplementary Provisions**

**Article 198** In these Articles of Association, the meaning of an "accounting firm" is the same as that of "auditors".

In these Articles of Association, the meaning of “controlling shareholder” is the shareholder who holds ordinary shares (including preferred shares with voting rights restored) representing 50% or more of the total share capital of the Company, or a shareholder having sufficient voting rights in respect of the shares who holds to pose a significant influence on the resolutions of the shareholders’ general meetings despite holding less than 50% of the total share capital of the Company.

In these Articles of Association, the meaning of “de facto controller” is the person who is not a shareholder of the Company but is able to actually control the acts of the Company through an investment relation, agreement or other arrangement.

In these Articles of Association, the meaning of “no less than”, “within” or “no more than” includes the underlying number, while “more than” or “beyond” does not include the underlying number.

The “connected relationships, related party transactions” referred to in these Articles of Association refer to the relationships between the controlling shareholders, de facto controllers, directors, supervisors, and senior management of the Company and the companies directly or indirectly controlled by them, and other relationships that may lead to the transfer of interests of the Company, provided that the state-controlled enterprises are not affiliated just because they are controlled by the state. Where the listing rules of the Hong Kong Stock Exchange provide otherwise, such provisions shall prevail.

The “state” as mentioned in these Articles of Association refers to the People’s Republic of China.

- Article 199** These Articles of Association are written in Chinese. Should there be any discrepancies between the versions in other languages and the Chinese version, the Chinese version shall prevail.
- Article 200** The power of interpretation of these Articles of Association shall be vested in the Company’s Board of Directors.
- Article 201** Any matters not contained in these Articles of Association shall be proposed by the Board of Directors at the shareholders’ general meeting for approval.