

**Articles of Association**

**of**

**Ping An Insurance (Group) Company of China, Ltd**

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

**(These Articles of Association are prepared in accordance with the “Articles of Association of Companies Seeking a Listing outside the PRC Prerequisite Clauses” (“Prerequisite Clauses”), “Reply on Opinions Concerning the Supplement and Amendment to the Articles of Association by Companies to be Listed in Hong Kong” (Zheng Jian Hai Han [1995] No. 1) (“Zheng Jian Hai Han”), “Opinions Concerning the Further Promoting of the Standard Operation and the Deepening of Reform of the Company Listed outside the PRC” (“Opinions”), “Guidelines for Articles of Association of Listed Companies” (Amended in 2006) (“Guidelines”), the Rules Governing Listing of Stocks on Shanghai Stock Exchange (“SSE Listing Rules”) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange Listing Rules”).**

**These Articles are written in Chinese. If there is any discrepancy between this version and another version in different language or in other forms, the Chinese version which has acquired the latest approval by and registered with the State Administration for Industry and Commerce shall prevail.**

**Record of Amendments to the Articles of Association of  
Ping An Insurance (Group) Company of China, Ltd**

No.	Amendment date	Name of the meeting	Document of approval	Notes
1	February 1988	Signed by the founding shareholders of the Company	Yin Fu [1988] No.113	
2	May 25, 1989	The third meeting of the first session of the Board	Yin Fu [1991] No.89	
3	April 30, 1996	The first general meeting	Yin Fu [1996] No.157	
4	August 9, 2001	The extraordinary general meeting for 2001	Bao Jian Bian Shen [2001] No.62	
5	January 20, 2002	The first extraordinary general meeting for 2002	Bao Jian Bian Shen [2002] No.98	
6	October 8, 2002	The second extraordinary general meeting for 2002	Bao Jian Bian Shen [2003] No.8	
7	September 10, 2003	The first extraordinary general meeting for 2003	Bao Jian Bian Shen [2003] No.142	
8	March 9, 2004	The first extraordinary general meeting for 2004	Bao Jian Fa Gai [2004] No.544	
9	June 11, 2004	Resolution approved by the Board Committee authorized by the Board and the shareholders in general meeting	Bao Jian Fa Gai [2005] No.10	
10	June 23, 2005	2005 annual general meeting	Bao Jian Fa Gai [2005] No.899	
11	May 25, 2006	2006 annual general meeting	Bao Jian Fa Gai [2006] No.621	
12	November 13, 2006	The second extraordinary general meeting for 2006	Bao Jian Fa Gai [2006] No.1359	
13	June 7, 2007	2006 annual general meeting	Bao Jian Fa Gai [2007] No.1349	
14	July 17, 2008	The second extraordinary general meeting for 2008	Bao Jian Fa Gai [2010] No.197	
15	June 3, 2009	2008 annual general meeting	Bao Jian Fa Gai [2010] No.197	
16	June 29, 2010	2009 annual general meeting	Bao Jian Fa Gai [2010] No.1434	
17	June 16, 2011	2010 annual general meeting	Bao Jian Fa Gai [2011] No.1597	
18	June 17, 2011	Proposal for amendments to the articles of association signed by the Chairman as authorized by shareholders' general meeting and the Board	Bao Jian Fa Gai [2011] No.1597	

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**ARTICLES OF ASSOCIATION  
OF  
PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.**

**CHAPTER 1: GENERAL PROVISIONS**

**Article 1**

Ping An Insurance (Group) Company of China, Ltd (the “Company”) is a company limited by shares established in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Insurance Law of the People’s Republic of China (the “Insurance Law”), Special Provisions of the State Council on Issuing and Listing of Shares Abroad by Companies Limited by Shares (the “Special Provisions”) and other relevant PRC laws and administrative regulations.

The Company was established upon the approval of the People’s Bank of China (the “PBOC”) (Yin Fu [1988] No.113) on March 21, 1988 with business license registration number Shen Xin Qi Zi No. 05716. The Articles of Association of the Company was approved by PBOC (Yin Fu [1996] No.157) on May 24, 1996. The Company was registered with the State Administration for Industry and Commerce (the “SAIC”) on January 16, 1997, and obtained a new business license with registration number 1000001001231.

The promoters of the Company are as follows: Industrial and Commercial Bank of China, China Merchants Shekou Industrial Zone Co., Ltd., The China Ocean Shipping (Group) Company, The Bureau of Finance of Shenzhen and Shenzhen New Horse Investment Development Company Limited.

**Article 2**

Registered name of the Company

Chinese: 中国平安保险(集团)股份有限公司

English: Ping An Insurance (Group) Company of China, Ltd.

**Article 3**

Domicile: 15th, 16th, 17th and 18th Floors,  
Galaxy Development Center,  
Fuhua No. 3 Road, Futian District  
Shenzhen, Guang Dong, PRC.

Postal Code: 518048

Telephone: 4008866338

Facsimile: (0755) 82431019

Website: [www.pingan.com](http://www.pingan.com)

#### **Article 4**

The legal representative of the Company shall be the chairman of the board of directors.

#### **Article 5**

The Company is a company limited by shares existing in perpetuity.

#### **Article 6**

The Company shall comply with the applicable laws, regulations and the unified national finance and insurance objective and policy, and shall be guided, managed, coordinated, supervised and scrutinized by the China Insurance Regulatory Commission (the "CIRC").

#### **Article 7**

The Company has independent legal person properties and enjoys legal person property rights. All the share capital of the Company shall be divided into shares of equal value. The shareholders shall be liable towards the Company to the extent of their respective shareholdings. The Company shall be liable for its debts to the extent of all its assets.

#### **Article 8**

The Company as an insurance group company manages and supervises its controlled subsidiaries via its shareholding interests and conducts other financial businesses in accordance with the applicable laws.

#### **Article 9**

The Company has made amendments to the original Articles of Association of the Company (the "Original Articles of Association") and enacted these new Articles of Association of the Company (these "Articles of Association") in accordance with the Company Law, Securities Law and other relevant laws and administrative regulations of the PRC.

Following the approval obtained from the special resolution passed at the 2004 first extraordinary shareholders' general meeting on March 9, 2004 and the approval obtained from the authorized approval department of the State Council, the Original Articles of Association took effect on June 24, 2004 when the Company was first listed its foreign shares on The Stock Exchange of Hong Kong Limited (the "HKSE"). A resolution to amend the Original Articles of Association was passed at the 2006 shareholders' annual general meeting held on May 25, 2006. The CIRC approved such amendment of the Original Articles of Association on June 15, 2006 pursuant to approval document Bao Jian Fa Gai [2006] No.621.

These Articles of Association shall upon approvals by shareholders in a general meeting by way of a special resolution and by the authorized approval department of the State Council, become effective on the day the domestic shares of the Company are listed on the Shanghai Stock Exchange.

These Articles of Association shall be a legally binding document that regulates the organization and acts of the Company as well as the rights and obligations between the Company and the shareholders and among the shareholders from the date on which they become effective. These Articles of Association shall be binding upon the Company and its shareholders, directors, supervisors, and other senior management. All the above persons may make claims about the rights and obligations related to Company matters in accordance with these Articles of Association.

Without prejudice to Chapter 21 of these Articles of Association, shareholders may sue the Company in accordance with these Articles of Association. Shareholders may sue other shareholders in accordance with these Articles of Association. Shareholders may sue directors, supervisors and other senior management of the Company in accordance with these Articles of Association. The Company may sue shareholders, directors, supervisors and other senior management of the Company in accordance with the Articles of Association.

For the purposes of the above paragraph, the term “sue” shall include the initiation of proceedings in a court or the application of arbitration made to an arbitration organization.

#### **Article 10**

References to “senior management” in these Articles of Association shall include the chairman of the board of directors, the secretary of the board of directors, the CEO, COO, CFO, the deputy director of the executive committee of the Company and senior vice president.

The senior management of the Company must have the qualifications as required by the CIRC.

#### **Article 11**

The Company may in accordance with applicable laws invest in other limited or joint stock companies and bears responsibility for such investment of up to such capital investments.

### **CHAPTER 2: PURPOSE AND SCOPE OF BUSINESS**

#### **Article 12**

The business objective of the Company is: with professional service, products, technology and talent, the Company is devoted to becoming a leading integrated finance & insurance services group, and at the same time reform and creatively

develop itself in the field of finance & insurance services; under the prerequisites of scientific decision-making, standardized management and stable management, to maximize the values of shareholders, staff, customers and society, in order to promote and support the development of the economy and the enhancement of society.

The Company, based on a modern enterprise regime, is continuously improving its standards of operation and management, its ability to manage and control risk, its solvency, its capacity of independent management, assumption of risks, its ability to manage its profits and loss, and self-discipline.

### **Article 13**

The business scope of the Company is subject to the content as verified by registration authorities.

The business scope of the Company includes:

- (1) investment in insurance enterprises;
- (2) supervising and managing various kinds of domestic and international businesses of the subsidiaries;
- (3) develop businesses in the application of insurance funds;
- (4) approved domestic and international insurance businesses;
- (5) other businesses approved by CIRC and the relevant governmental authorities.

## **CHAPTER 3: SHARES AND REGISTERED CAPITAL**

### **Article 14**

The Company shall have ordinary shares at all times. The Company may create other classes of shares if necessary, upon approval by the examining and approving departments authorized by the State Council. Shareholding in the Company shall be by way of shares.

### **Article 15**

The issue of the shares of the Company shall be based on the principle of openness, fairness and justice. Each share of the same class shall have equal rights.

Shares of the same class issued at the same time shall be issued under the same condition and at the same price. Shares subscribed by any entity or individual shall be paid for at the same consideration.

### **Article 16**

All shares issued by the Company shall have a par value, which shall be RMB1 for

each share.

For the purposes of the above paragraph, the term “RMB” shall refer to the lawful currency of the People’s Republic of China.

#### **Article 17**

The Company may issue shares to investors inside the People’s Republic of China and to investors outside the People’s Republic of China following approval from CSRC.

For the purposes of the preceding paragraph, the term “investors outside the People’s Republic of China” shall refer to investors from foreign countries or from Hong Kong, Macao or Taiwan that subscribe for shares issued by the Company, and the term “investors inside the People’s Republic of China” shall refer to investors inside the People’s Republic of China, excluding the above-mentioned regions, that subscribe for shares issued by the Company.

#### **Article 18**

The shares issued by the Company to investors inside the People’s Republic of China and to be subscribed for in Renminbi shall be referred to as “domestic shares”. Shares issued by the Company to investors outside the People’s Republic of China and to be subscribed in a foreign currency shall be referred to as “foreign shares”. Foreign shares listed outside the PRC shall be referred to as “overseas listed foreign shares”. Both the holders of domestic shares and holders of foreign shares shall be holders of ordinary shares, and shall enjoy and bear the same rights and obligations.

For the purposes of the preceding paragraph, the term of “foreign currency” shall refer to the lawful currency of a country or area outside the People’s Republic of China, which is recognized by the State Administration of Foreign Exchange and can be used to pay for the shares to the Company.

#### **Article 19**

Following the approval by the approving department authorized by the State Council, the total amount of issued ordinary shares of the Company was 6,195,053,334 at the Company’s first overseas offer of foreign shares (the “H shares”) and the successful listing on the HKSE on June 24, 2004. Details of the number of shares subscribed and capital contribution by the promoters at the time of share reorganization and re-registration of the Company on January 16, 1997 are set out as follows:

No.	Name of promoter	Capital contribution	Capital amount (in ten thousands)		Number of shares subscribed (ten thousand shares)	Percentage in 1,500,000,000 total share capital of the Company
			Amount payable	Amount contributed		
1	Industry and	Cash	39606.8347	39606.8347	39606.8347	26.40

	Commercial Bank of China					
2	China Merchants Shekou Industrial Zone Co., Ltd.	Cash	26680.9271	26680.9271	26680.9271	17.79
3	China Ocean Shipping (Group) Company	Cash	17328.8029	17328.8029	17328.8029	11.55
4	Shenzhen Finance Bureau	Cash	12139.2110	12139.2110	12139.2110	8.09
5	Shenzhen New Horse Investment Development Co.	Cash	13824.7736	13824.7736	13824.7736	9.22
Total			109580.5493	109580.5493	109580.5493	73.05%

Shenzhen New Horse Investment Development Company has changed its name to Shenzhen New Horse Investment Development Co., Ltd. With the exception of Shenzhen New Horse Investment Development Co., Ltd., the other four promoters of the Company, namely, Industry and Commercial Bank of China, China Merchants Shekou Industrial Zone Co., Ltd., China Ocean Shipping (Group) Company and Shenzhen Finance Bureau have transferred all their shares.

#### **Article 20**

After the first overseas offer of H shares and listing, the composition of the Company's share capital was: 6,195,053,334 ordinary shares, comprising 3,636,409,636 domestic shares representing 58.70% of the total number of ordinary shares in issue and 2,558,643,698 H shares (including 1,170,751,698 H shares converted from shares held by foreign entities) representing 41.30% of the total number of ordinary shares of the Company in issue.

#### **Article 21**

After the overseas offer of H shares and the approval having been obtained for the initial public offering in the PRC of 1.15 billion domestic shares and subsequent to the approval of the non-public issue of 299,088,758 and 272,000,000 overseas listed foreign shares, the composition of the Company's share capital as at the date hereof shall be: 7,916,142,092 ordinary shares, comprising 4,786,409,636 domestic shares, representing 60.46% of the total number of ordinary shares in issue and 3,129,732,456 H shares, representing 39.54% of the total number of ordinary shares of the Company in issue. The shareholding structure of the Company is set out below:

No.	Class of shares (Name of shareholder)	Number of shares (share)	Percentage of shareholding
1	Domestic shares not subject to	4,786,409,636	60.46%

	trading moratorium (A Share)		
	Total domestic shares	4,786,409,636	60.46%
2	Overseas listed foreign shares not subject to trading moratorium (H Share)	3,129,732,456	39.54%
	Total overseas listed foreign shares	3,129,732,456	39.54%
	Total ordinary shares	7,916,142,092	100%

## Article 22

Upon the CSRC approving the plan for issuing overseas listed foreign shares and domestic shares, the board of directors of the Company may arrange for the implementation of such plan by means of separate issues.

The Company's plan for separate issues of overseas listed foreign shares and domestic shares in accordance with the preceding paragraph may be implemented separately within 15 months from the date of approval by the CSRC.

## Article 23

If the Company issues overseas listed foreign shares and domestic shares separately within the total amount of shares specified in the issue plan, such issues shall be fully subscribed for at their respective offerings. If the shares cannot be fully subscribed for once due to special circumstances, the shares may, subject to the approval of the CSRC, be issued in several stages.

## Article 24

The registered capital and paid-up capital of the Company is RMB7,916,142,092.

## Article 25

The Company may, based on its operating and development needs, authorize the increase of its capital in accordance with the relevant provisions of these Articles of Association.

The Company may increase its capital by the following methods:

- (1) by offering new shares to non-specified persons (including to issue new shares to the general public and strategic investors);
- (2) by placing new shares to existing shareholders;
- (3) by allotting bonus issue to existing shareholders;
- (4) by capitalizing its capital reserve;
- (5) by issuing convertible bonds;

- (6) by formulating employee shareholding schemes in accordance with the law and issue shares to the employee shareholding schemes;
- (7) by any other methods which is permitted by laws and administrative regulations.

The Company's increase in capital by issuing new shares shall be handled in accordance with the procedures provided for in relevant laws and administrative regulations and after having been approved in accordance with these Articles of Association.

#### **Article 26**

Unless otherwise provided by laws and administrative regulations, shares of the Company are freely transferable and are not subject to any lien.

#### **Article 27**

The Company shall not accept any shares of the Company as the subject matter of a pledge.

#### **Article 28**

The promoters' shares of the Company shall not be transferred within one year from the date of the establishment of the Company as a company limited by shares. The transfer of the shares of the Company issued before the initial public offering of the domestic shares (A shares) shall be conducted in accordance with the laws, administrative regulations and the applicable listing rules.

#### **Article 29**

The directors, supervisors, senior management of the Company shall regularly declare the number of shares held by them and the relevant changes. The transfer of the shares in the Company held by the above officers shall be conducted in accordance with the laws, administrative regulations and the applicable listing rules.

#### **Article 30**

The proceeds gained by the Company's directors, supervisors, senior management and shareholders holding more than 5% of the Company's shares from a disposal of the shares within six months of its purchase or purchase within six months of its disposal shall belong to the Company, and shall be reclaimed by the board of directors of the Company. Securities companies which, pursuant to their underwriting obligations, acquired excess shares of over 5% of the Company's shares shall not be subject to the six months' restriction in their disposal of such shares.

If the board of directors of the Company fails to carry out in accordance with the above provision, the shareholders shall be entitled to demand the board of directors to do so within 30 days, failing which the shareholders shall be entitled to exercise their rights for the benefit of the Company.

If the board of directors of the Company fails to execute in accordance with the first paragraph of this Article, those directors who are responsible for such execution shall bear joint liability.

### **Article 31**

Upon transfer of the Company's shares, the name of the transferees of the shares will be registered in the register of shareholders as holders of such shares.

### **Article 32**

All the issuance and transfer of overseas listed foreign shares shall be registered in the register of shareholders maintained outside the PRC pursuant to Article 47. The domestic shares of Company shall be centrally entrusted to the Shanghai branch of China Securities Registration and Clearing Limited Company.

### **Article 33**

The transfer of all or part of the shares by any holder of overseas listed foreign shares shall be effected by the standard transfer form specified by Hong Kong Stock Exchange or such other instrument of transfer as the board of directors may accept. The transfer documents shall be signed by the transferor and the transferee by hand or in a machine-imprinted format. The instrument of transfer shall be kept at the Company's registered address or such other place as the board of directors may from time to time determine.

## **CHAPTER 4: REDUCTION OF CAPITAL AND BUY BACK OF SHARES**

### **Article 34**

The Company may reduce its registered capital in accordance with the provisions of these Articles of Association.

### **Article 35**

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

The Company shall notify its creditors within 10 days from the date of adoption of a resolution to reduce its registered share capital and shall make a public announcement about the resolution in newspapers at least three times within 30 days of the said date. The creditors shall, within 30 days since the date of receiving a written notice or within 45 days since the date of the first public announcement for those who have not received a written notice, be entitled to require the Company to pay off its debts in full or to provide a corresponding guarantee for repayment.

The registered capital of the Company following the reduction of capital shall not fall below the minimum statutory requirement.

### **Article 36**

The Company may, in the following circumstances, buy back its own issued and outstanding shares in accordance with the procedures provided for in laws, administrative measures, departmental regulations and these Articles of Association, and submit for approval by the relevant State authorities:

- (1) cancellation of shares in order to reduce its capital;
- (2) merger with another company holding shares in the Company;
- (3) award shares to the staff of the Company;
- (4) request the Company to buy back shares held by shareholders disputing resolutions passed during shareholders' general meeting in relation to the mergers and divisions of the Company; or
- (5) other circumstances permitted by laws or administrative regulations.

The Company shall not conduct any activities to buy-back shares other than in the above circumstances.

When the Company is to buy back shares because of the circumstances (1) to (3) set out above, prior approval shall be obtained in shareholders' general meeting. Under the circumstance set out in (1), the shares shall be cancelled within 10 days of buy-back; Under the circumstances set out in (2), (4), the shares shall be transferred or cancelled within six months of buy-back. Not more than 5% of the total issued share capital of the Company shall be bought back by the Company under the circumstance set out in (3); the capital used to buy back shares shall be out of the after tax profit. The buy back shares shall be transferred to the staff within one year from the date of buy back.

### **Article 37**

The Company may, with the approval of the relevant governing authority of the State, proceed to buy back its shares in one of the following manners:

- (1) to make an offer of buy back to all shareholders at the same proportion;
- (2) to buy back shares through public trading on a stock exchange;
- (3) to buy back through an off-market agreement; or
- (4) other methods as permitted by the CSRC.

### **Article 38**

Where the Company is to buy back shares through off-market agreement, prior approval shall be obtained from the shareholders at general meeting in accordance with these Articles of Association. With prior approval by shareholders at general

meeting obtained in the same manner, the Company may rescind or amend contracts concluded in the manner set forth above or waive any of its rights under such contracts.

The contracts to buy back shares as referred to in the preceding paragraph includes, but not limited to, an agreement to become obliged to buy back or to acquire of the right to buy back.

The Company shall not assign a contract for the buy-back of its own shares or any of its rights thereunder. Where the Company has the right to purchase redeemable share, the purchase price shall be limited to a maximum price if the purchases are not made through the market or by tender. If purchases are by tender, tenders shall be made available to all shareholders on the same terms.

### **Article 39**

After the Company has bought back its shares according to law, it shall cancel or transfer the portion of shares concerned in accordance with the regulations of the law or these Articles of Association and shall apply to the State Administration for Industry and Commerce for registration of the change in registered capital following cancellation.

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

### **Article 40**

Unless the Company is in the course of liquidation, it shall comply with the following provisions in buying back its issued and outstanding shares:

- (1) where the Company buys back its shares at par value, payment shall be made out of the book balance of distributable profits of the Company or out of proceeds of a fresh share issue for that purpose;
- (2) where the Company buys back its shares at a premium to their par value, payment up to the par value shall be made out of the book balance of distributable profits of the Company or out of a fresh share issue made for that purpose. Payment of the portion in excess of the par value shall be effected as follows:
  - (i) if the shares bought back were issued at their par value, payment shall be made out of the book balance of distributable profits;
  - (ii) if the shares bought back were issued at a premium to their par value, payment shall be made out of the book balance of distributable profit or out of a fresh share issue made for that purpose; provided that the amount paid out of the proceeds of the fresh share issue shall not exceed the total premium obtained at the time of issuance of the old shares nor the current amount of the Company's premium account (or capital common reserve account) (including the premiums from the fresh share issue) at the time of

buy-back;

- (3) the sums paid by the Company for the purposes set forth below shall be paid out of the Company's distributable profits:
  - (i) acquisition of the right to buy-back its own shares;
  - (ii) modification of any contract for buying back its own shares;
  - (iii) release from any of its obligations under any buy-back contract.
- (4) after the par value of the annulled shares has been deducted from the registered capital of the Company in accordance with relevant provisions, that portion of the amount deducted from the distributable profit for payment of the par value portion of the shares bought back shall be transferred to the Company's premium account (or capital common reserve account).

## **CHAPTER 5: FINANCIAL ASSISTANCE FOR THE PURCHASE OF COMPANY SHARES**

### **Article 41**

The Company or its subsidiaries (including associated companies of the Company) shall not at any time in any manner provide financial assistance to anyone purchasing or proposing to purchase the Company's shares, including persons becoming directly or indirectly liable as a result of the purchase of shares.

The Company and its subsidiaries (including associated companies of the Company) shall not at any time in any manner provide financial assistance for the purpose of reducing or relieving the aforementioned persons of their liability.

This Article shall not be applicable to circumstances as stated in Article 43.

### **Article 42**

The "financial assistance" referred to in this chapter shall include (but not be limited to) financial assistance in the forms set out below:

- (1) gift;
- (2) guarantee (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligation by the obligor), compensation (other than compensation in respect of the Company's own fault), relief or waiver of rights;
- (3) provision of a loan or the making of any other agreement under which the obligations of the Company are to be fulfilled before the obligations of another party, or the change in parties to, or the assignment of rights under such loan or contract; and

- (4) any other form of financial assistance given by the Company when the Company is insolvent or has no net assets or when its net assets would thereby be reduced to a material extent.

The “assumption of obligations” referred to in this chapter shall include the assumption of obligation by way of contract or by way of arrangement (irrespective of whether such contract or arrangement is enforceable or not and irrespective of whether such obligation is to be borne solely by the obligor or jointly with any other persons) or by any other means which results in a change in his/her financial position.

### **Article 43**

The following activities should not be regarded as restricted activities under Article 41:

- (1) the provision of financial assistance by the Company in good faith for the benefit of the Company and the main purpose of the financial assistance is not to purchase shares in the Company, or the financial assistance is an incidental part of a master plan of the Company;
- (2) the lawful distribution of the Company’s assets as dividends;
- (3) the distribution of dividends in the form of shares;
- (4) a reduction of registered capital, a buy-back of shares, capital restructuring, etc. in accordance with these Articles of Association;
- (5) the provision of loans by the Company within its scope of business and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance was paid out of the Company’s distributable profits); and
- (6) contributions made by the Company to the employee shareholding scheme (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced,, the financial assistance was paid out of the Company’s distributable profits).

## **CHAPTER 6: SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS**

### **Article 44**

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

The share certificates of the Company shall bear the following main items:

- (1) name of the Company;

- (2) date of registration and establishment of the Company;
- (3) type of shares, par value and the number of shares it represents;
- (4) the serial number of share certificates;
- (5) other matters as required by the Company Law, and the securities exchange(s) on which the shares of the Company are listed.

#### **Article 45**

Share certificates shall be signed by the chairman of the board of directors. The stock exchange, where the Company's shares are listed, requires signature by senior management, shall be signed by the responsible senior management. Share certificates shall take effect upon affixing of the Company's seal or a seal imprinted thereon. The affixing of the Company's seal on share certificates shall be authorized by the board of directors. The chairman of the board of directors or responsible senior management may sign on the certificate or use printed form.

#### **Article 46**

The Company shall keep a register of shareholders which shall contain the following particulars:

- (1) the name (title), address (domicile), occupation or nature of each shareholder;
- (2) the class and number of shares held by each shareholder;
- (3) the amount paid-up or agreed to be paid-up on the shares held by each shareholder;
- (4) the serial numbers of the shares held by each shareholder;
- (5) the date on which each shareholder was registered as a shareholder; and
- (6) the date on which each shareholder ceased to be a shareholder.

The register of shareholders shall be sufficient evidence of the shareholders' shareholding in Company, unless there is evidence to the contrary.

#### **Article 47**

The Company may, in accordance with the mutual understanding and agreements made between the CSRC and overseas securities regulatory organizations, keep outside the People's Republic of China its register of holders of overseas listed foreign shares, and appoint overseas agent to manage such register of shareholders. The original register of shareholders for holders of H shares shall be maintained in Hong Kong.

The Company shall keep at its domicile a duplicate of the register of holders of

overseas listed foreign shares. The appointed overseas agent shall ensure consistency between the original and the duplicate register of shareholders at all times.

In the event that the original and duplicate of the register of holders of overseas listed foreign shares are inconsistent, the original shall prevail.

#### **Article 48**

The Company shall keep a complete register of shareholders.

The register of shareholders shall include the following parts:

- (1) a register kept at the Company's domicile other than those provided for under items (2) and (3) of this paragraph;
- (2) the register(s) of holders of overseas listed foreign shares kept in the place(s) of the securities exchange(s) outside the People's Republic of China on which the shares are listed; and
- (3) registers of shareholders kept in such other places as the board of directors may decide necessary for listing purposes.

#### **Article 49**

Different parts of the register of shareholders shall not overlap. The transfer of shares registered in a certain part of the register of shareholders shall not, during the continuance of the registration of such shares on that part of the register, be registered in any other part of the register.

Changes and corrections to each part of the register of shareholders shall be in accordance with the laws of the places where that part is kept.

#### **Article 50**

All the fully paid overseas listed foreign shares shall be freely transferable pursuant to these Articles of Association. However, in relation to H shares the board of directors may refuse to recognize any instrument of transfer without providing any reason thereof, unless the following conditions are satisfied:

- (1) a sum of HK\$2.5 (per transfer document) or such other sum as the board of directors may require from time to time (provided that such sum shall not exceed such higher amount as stated in the Stock Exchange Listing Rules from time to time), has been paid to the Company for registration of the share transfer documents or such other documents in relation to or affecting the ownership of the shares;
- (2) the instrument of transfer only involves H shares;
- (3) the stamp duty payable in respect of the instrument of transfer has been paid;

- (4) relevant share certificates and such other evidence which the board of directors may reasonably require to show that the transferor has the right to transfer the shares have been produced;
- (5) if the shares are transferred to joint holders, the number of joint holders shall not exceed four; and
- (6) the shares concerned are free of any lien in favor of the Company.

#### **Article 51**

No changes resulting from share transfers may be made to the register of shareholders within 30 days prior to a shareholders' general meeting or five days prior to the reference date set by the Company for the purpose of distribution of dividends.

#### **Article 52**

Where the Company convenes a shareholders' general meeting, distributes dividends, liquidation or other matters requiring confirmation of equity interests, this should be fixed by the board of directors or the person convening the shareholders' general meeting as the record day. Shareholders registered on the register of members following close of trading on record date shall be entitled to those rights.

#### **Article 53**

Any person that challenges the register of shareholders and requests for his name to be entered into or removed from the register may apply to a competent Court for correction of the register.

#### **Article 54**

Any shareholder who is registered on the register of shareholders or requests for his name to be entered into the register of shareholders may apply to the Company for issuance of a replacement certificate in respect of such shares ("Relevant Shares") if his share certificate ("Original Share Certificate") is lost.

Applications for the replacement of share certificates from holders of domestic shares who have lost their certificates shall be dealt with in accordance with Article 144 of the Company Law.

Applications for the replacement of share certificates from holders of overseas listed foreign shares who have lost their certificates may be dealt with in accordance with the laws, securities exchange regulations and other relevant regulations of the place where the original register of holders of the overseas listed foreign shares is kept.

Applications for the replacement of share certificates from holders of H shares who have lost their certificates shall comply with the following requirements:

- (1) The applicant shall submit the application in the form prescribed by the Company, accompanied by a notarial certificate or statutory declaration. The

notarial certificate or statutory declaration shall include the applicant's reason for the application, the circumstances and proof of the loss of the share certificate and a declaration that no other person may require registration as a shareholder in respect of the Relevant Shares;

- (2) The Company shall not have received any declaration requesting for registration as a shareholder in respect of such shares from any person other than the applicant before it decides to issue a replacement share certificate;
- (3) If the Company decides to issue a replacement share certificate to the applicant, it shall publish a public announcement of its intention to do so in the newspapers or periodicals designated by the board of directors; the period of the public announcement shall be 90 days, during which such announcement shall be published repeatedly at least once every 30 days;
- (4) Before publishing the public announcement in relation to its intention to issue a replacement share certificate, the Company shall submit a copy of the announcement to be published to the securities exchange on which it is listed, and may proceed with its publication after having received a reply from the securities exchange confirming that the announcement has been displayed in the securities exchange. The Company shall display the public announcement in the securities exchange for a period of 90 days. If the application for issuance of a replacement share certificate was made without the consent of the registered holder of the Relevant Shares, the Company shall mail to such shareholder a photocopy of the public announcement that it intends to publish;
- (5) At the expiration of the 90-day period provided for in items (3) and (4) hereof, if the Company did not receive any objection to the issuance of a replacement share certificate from any person, it may issue a replacement share certificate according to the application of the applicant;
- (6) When the Company issues a replacement share certificate in accordance with this Article, it shall immediately cancel the Original Share Certificate and record such cancellation and the issuance of the replacement share certificate in the register of shareholders; and
- (7) All expenses relating to the cancellation of the Original Share Certificate and the issuance of a replacement share certificate shall be borne by the applicant. The Company shall be entitled to refuse to take any action until the applicant has provided a reasonable guarantee.

#### **Article 55**

After the Company has issued a replacement share certificate in accordance with these Articles of Association, it shall not delete from the register of shareholders the name of a bona fide purchaser of the replacement share certificate mentioned above or a shareholder that is subsequently registered as the owner of the shares (provided that he is bona fide purchaser).

#### **Article 56**

The Company shall not be liable for any damages sustained by any person by reason of the cancellation of the Original Share Certificate or the issuance of the replacement share certificate, unless the claimant is able to prove that the Company has acted in a deceitful manner.

## **CHAPTER 7: RIGHTS AND OBLIGATIONS OF SHAREHOLDERS**

### **Article 57**

Persons on the Company's register of members shall be deemed to be the Company's lawful shareholders.

Shareholders shall enjoy rights and assume obligations according to the class and amount of shares held by them. Shareholders who hold shares of the same class shall enjoy the same rights and assume the same obligations.

### **Article 58**

Holders of ordinary shares of the Company shall enjoy the following rights:

- (1) to receive dividends and other profit distributions in proportion to their shareholdings;
- (2) to request, convene, hold, participate or authorize proxies to attend shareholders' meeting, and to exercise voting rights accordingly;
- (3) to supervise and control the Company's business activities, and make suggestions or inquiries;
- (4) to transfer, gift or encumber shares held by it in accordance with laws, administrative regulations and these Articles of Association;
- (5) to obtain relevant information in accordance with these Articles of Association, which shall include:
  - (I) to obtain these Articles of Association upon payment of a charge to cover costs;
  - (II) to inspect and make copies, upon payment of reasonable charges, of:
    - (i) all parts of the register of shareholders;
    - (ii) personal information of the directors, supervisors, and other senior management of the Company, including:
      - (a) present and former names and aliases;
      - (b) principal address (place of domicile);

- (c) nationality;
  - (d) primary and all other part-time occupations and duties;
  - (e) identification documents and their numbers;
- (iii) the status of the Company' share capital;
  - (iv) the annual report;
  - (v) reports showing the aggregate par value, number of shares, and maximum and minimum prices paid in respect of each class of shares bought back by the Company since the last fiscal year as well as all the expenses paid by the Company therefore; and
  - (vi) minutes of shareholders' meetings, board resolutions and supervisors resolutions, receipts of the Company's loan notes, financial reports;
- (6) to participate in the distribution of the Company's surplus assets according to their shareholding when the Company is terminated or liquidated;
  - (7) shareholders against the mergers or divisions of the Company tabled at shareholders' meeting, to request the Company to buy back its shares;
  - (8) other rights granted by laws, administrative regulations, departmental rules and these Articles of Association.

#### **Article 59**

A shareholder who wants to examine the mentioned information or request for the related material shall provide the Company with the written documentation evidencing the class and number of shares held by the shareholder. The Company shall provide the related information or material as per their request after having verified the identity of the shareholder.

#### **Article 60**

Where contents of resolutions of shareholders' in general meeting and board meetings, or its convention procedures, manner of voting is in contravention of laws, administrative regulations and the Articles of Association, shareholders have the right to resolve matters according to related procedures provided in the relevant laws, administrative regulations and these Articles of Association.

#### **Article 61**

Directors, supervisors, senior management infringing laws, administrative regulations or these Articles of Association while executing their duties, resulting in losses to the Company, or where other persons infringe upon the lawful rights of the Company, resulting in losses to the Company or other persons infringing on the legal rights of

the Company resulting in losses suffered by the Company shareholders have the right to resolve matters according to related procedures provided in the relevant laws, administrative regulations and these Articles of Association.

### **Article 62**

Where shareholders' legal rights are infringed by directors or senior management, they shall have the right to request cessation of infringement and payment of damages in accordance with the relevant laws, administrative regulations and these Articles of Association.

### **Article 63**

Holders of ordinary shares of the Company shall have the following obligations:

- (1) abide by the relevant laws, administrative regulations and these Articles of Association; protect the Company's reputation and support the Company's business development;
- (2) contribute to the registered capital according to the amount of shares subscribed for and the method of purchasing such shares;
- (3) bear responsibility for the Company's debts to the extent of their shareholding in the Company and, unless according to the laws or regulations, shall not give up their shares;
- (4) not to abuse rights afforded to shareholders and harm the Company or interests of other shareholders; not to abuse the Company's separate legal existence or the limited liability of shareholders to violate the rights of the Company's creditors;

Shareholders abusing shareholders' rights and resulting in damage to the Company or other shareholders shall bear t compensation responsibility in accordance with laws;

Shareholders abusing the Company's separate legal existence and the limited liability of shareholders, avoiding debt, resulting in serious damage to the Company relationship with its creditors, shall bear joint responsibility for the Company's debt;

- (5) unless prior approval of the CIRC has been obtained, no shareholder may hold more than 10% of the total share capital of the Company or such other percentage recognized by the CIRC (whichever is higher).

If any shareholder, without obtaining prior approval of the CIRC, holds a number of shares that exceeds the permitted number provided above (the "Excess Shares"), then prior to obtaining the approval of the CIRC in exercising his rights as a shareholder prescribed by Article 58, he shall be subject to the following restrictions in respect of the Excess Shares, including but not limited to:

- (i) the Excess Shares do not carry any voting rights at the general meeting or any class meeting of shareholders; and
- (ii) the Excess Shares do not carry any right of nominating directors and supervisors provided in these Articles of Association.

Notwithstanding the foregoing, a shareholder holding Excess Shares shall not be subject to any restrictions in exercising his rights under Articles 58(1) and 58(6).

- (6) persons holding the Company's foreign shares (other than approved clearing houses by Hong Kong laws or other representatives of the same ("Recognized Clearing House")), shall inform the Company's share registrar in time, and report to the board of directors of the Company for record when there are any changes in their legal representative, company name, business address, business scope, or other major events. In respect of a Recognized Clearing House, when its authorized signatories, company name or address change, it shall inform the Company's registrar in time; and
- (7) other obligations stipulated in laws, administrative regulations and these Articles of Association.

Other than the conditions agreed to by ordinary shareholders at the time of subscription, ordinary shareholders shall not be subject to additional conditions unilaterally imposed thereafter.

#### **Article 64**

Shareholders holding 5% or more of the Company's shares pledging their shares shall report in writing to the Company on the same day this fact taking place.

If any connected relationship exists between shareholders holding 5% or more of the Company's shares, such shareholders shall report in writing to the board of directors within two working days from the date on which such relationship takes place.

The Company shall not freeze or otherwise impair any right of any person for the reason that the person fails to disclose that he directly or indirectly enjoys rights attached to the shares of the Company.

#### **Article 65**

The Company's controlling shareholder (as defined in Article 67), de facto controller (as defined in Article 68) shall not make use of its connected relationship to harm the Company's interests. Shareholders contravening the regulations resulting in the Company suffering losses shall compensate the Company.

The Company's controlling shareholder and de facto controller owes a duty of honour to the Company and the Company's other shareholders. The controlling shareholder must strictly comply the laws in exercising its rights as capital contributor. Controlling shareholders must not use distribution of dividends, reorganization of

assets, external investments, capital consumption, loans and guarantees etc., and shall not exploit their position to harm the Company or other shareholders.

#### **Article 66**

In addition to the obligations imposed by law, administrative regulations or the listing rules of the securities exchange(s) on which the shares of Company are listed, controlling shareholders may not, in the exercise of their shareholders' powers, make decisions prejudicial to the interests of all or part of the shareholders as a result of the exercise of their voting rights on the issues set forth below:

- (1) relieving a director or supervisor of the responsibility to act honestly in the best interests of the Company;
- (2) granting approval to a director or supervisor (for his own or another person's benefit) for depriving the Company of its property in any way, including (but not limited to) any opportunities that are favorable to the Company; or
- (3) granting approval to a director or supervisor (for his own or another person's benefit) for depriving other shareholders of their rights or interests, including (but not limited to) rights to distributions and voting rights, unless pursuant to a restructuring of the Company submitted to and adopted by the shareholders' general meeting in accordance with these Articles of Association.

#### **Article 67**

For the purposes of the preceding Article, the term "controlling shareholder" shall refer to a person that satisfies any of the following conditions:

- (1) that person, where acting alone or in concert with other parties, has the power to elect more than half of the directors;
- (2) that person, where acting alone or in concert with other parties, can exercise or control the exercise of over 30% of the Company's voting rights;
- (3) that person, where acting alone or in concert with other parties, holds over 30% of the issued shares of the Company; or
- (4) that person, where acting alone or in concert with other parties, has actual control over the Company in any other manner.

For the purposes of this chapter, the term "acting in concert" shall refer to two or more persons acting unanimously, achieved by way of an agreement (whether orally or in writing), to obtain voting rights in the Company through any of such persons, so as strengthen their control over the Company.

#### **Article 68**

Reference to de facto controller above shall mean individuals not being shareholders but, o via investment relationships, agreements or other arrangements can actually

control the activities of the Company.

## **CHAPTER 8: SHAREHOLDERS' GENERAL MEETINGS**

### **Article 69**

The shareholders' general meeting shall be the organ of authority of the Company and shall exercise its functions and powers according to laws.

### **Article 70**

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

- (1) to determine the business policies and investment plans of the Company;
- (2) to elect and replace directors and to determine matters relating to the remuneration of the directors;
- (3) to elect and replace the supervisors other than those representing employees of the Company and to determine matters concerning the remuneration of supervisors;
- (4) to consider and approve the reports of the board of directors;
- (5) to consider and approve the reports of the supervisory committee;
- (6) to consider and approve the Company's annual financial budget and final account proposals;
- (7) to examine and approve the Company's profits distribution plans and loss recovery plans;
- (8) to pass resolutions relating to the increase or reduction of the Company's registered capital;
- (9) to pass resolutions relating to matters such as the merger, division, dissolution or liquidation of the Company;
- (10) to pass resolutions relating to the issuance of bonds by the Company;
- (11) to pass resolutions on the appointment, dismissal or discontinuation of engagement of accounting firms;
- (12) to amend these Articles of Association;
- (13) to consider proposals raised by shareholder(s), individually or collectively representing over 3% of the Company's voting shares;
- (14) to consider matters relating to the Company's transaction of purchase or sell of

- major assets within one year with the transaction amount exceeds 30% of the latest audited total assets of the Company;
- (15) to consider and approve matters relating to the changes in the use of proceeds from share offerings;
  - (16) to consider share incentives schemes;
  - (17) to consider and approve the following external guarantees of the Company:
    - (i) any external guarantee to be given by the Company and its controlled subsidiaries, the total amount of which reaches or exceeds 50% of its latest audited net assets;
    - (ii) any external guarantee to be given by the Company, the total amount of which reaches or exceeds 30% of its latest audited total assets;
    - (iii) any guarantee to be given to a company whose gearing ratio exceeds 70%;
    - (iv) any single guarantee whose amount exceeds 10% of its latest audited net assets;
    - (v) other guarantee granted by regulatory organizations;
  - (18) any other matters that shall be resolved by the shareholders in general meeting as required by laws, administrative regulations, departmental rules, listing rules or these Articles of Association.

#### **Article 71**

Unless the Company is in danger or under other special circumstances, the Company shall not, without shareholders approval by way of a special resolution, enter into agreements with persons other than directors, supervisors or senior management granting that person responsibility for the management of all or part of the Company's material business.

#### **Article 72**

Shareholders' general meetings shall be divided into annual general meetings and extraordinary general meetings. Shareholders' general meetings shall be convened by the board of directors. Annual general meeting shall be held once every year and within six months from the end of the preceding financial year.

The Company shall upon occurrence of any of the following events convene an extraordinary general meeting within two months:

- (1) the number of directors falls short of the minimum number required by the Company Law or is less than two-thirds of the number required by these Articles of Association;

- (2) the unrecovered losses of the Company amount to one-third of the total amount of its paid-up share capital;
- (3) upon request(s) by shareholder(s) individually or collectively holding more than 10% of the Company's share;
- (4) it is deemed necessary by the board of directors or it is proposed by the supervisory committee;
- (5) as proposed by two or more of the independent directors;
- (6) any other circumstance required by the laws, administrative regulations, departmental rules and these Articles of Association.

### **Article 73**

The Company shall arrange for the venue for a physical meeting to be held. Where the legality and validity of the shareholders' general meeting is ensured, shareholders may be convenient to attend the meeting by the Company making available other modern modes of communication technology, including adopting safe, economical, convenient voting platforms via the internet. Shareholders participating using the above means shall be considered as present at the meeting.

### **Article 74**

When the Company convenes a shareholders' general meeting, a written notice to notify all registered shareholders must be given no later than 45 days before the meeting. Such notice shall contain the matters to be considered at the meeting as well as the date and venue of the meeting. Any shareholder intending to attend the meeting shall send a written reply to the Company 20 days before the date of meeting.

### **Article 75**

When the shareholders' general meeting is held, the board of directors, the supervisory committee and the shareholders individually or collectively holding more than 3% of the Company's shares shall have the right to put forward a proposal in writing to the Company, and the Company shall incorporate those matters in the proposal which fall within the scope of the duties of the shareholders' general meeting into the agenda of such meeting.

The shareholders individually or collectively holding more than 3% of the Company's shares may submit in writing an interim proposal to the convener 10 days before the date of the convening of the shareholders' general meeting. The convener shall serve a supplementary notice within two days upon receipt of the interim proposal to announce the content of the interim proposal.

Except for the above provision, the convener may not change the agenda set out in the notice of the shareholders' general meeting or add new proposal after the notice of the shareholders' general meeting has been served.

The proposals that have not been set out in the notice of the shareholders' general meeting or that are not in line with Article 76, shall not be voted on or resolved at the shareholders' meeting.

#### **Article 76**

Proposals for shareholders' general meeting shall satisfy the following conditions:

- (1) the content shall not contravene laws, rules and regulations and shall be within the scope of operation of the Company and scope of duties of the shareholders' general meeting;
- (2) the proposals shall have definite subjects and specific matters for resolution; and;
- (3) the proposals shall be submitted or delivered to the board of directors in writing.

#### **Article 77**

The board of directors shall examine the proposals of the shareholders' general meeting in accordance with Article 76 and in line with the principal of pursuing the maximum benefits for the Company and the shareholders. If the board of directors decides not to include the proposals in the agenda of the shareholders' general meeting, it shall give the reasons and explanations at that meeting.

#### **Article 78**

If the proposing shareholder disagrees with the board of directors' decision not to include his/her proposed motion(s) in the agenda of the shareholders' general meeting, he may request the convening of an extraordinary shareholders' meeting in accordance with the provisions of Article 108.

#### **Article 79**

The Company shall calculate the number of voting shares represented by the shareholders who have indicated their intention to attend the shareholders' general meeting based on the written replies received 20 days before the meeting. If the number of such voting shares reaches half of the total number of the Company's voting shares, the Company may convene the shareholders' general meeting. Otherwise, the Company shall, within five days, inform the shareholders again of the matters to be considered at the meeting, the date and venue of the meeting by way of public announcement. After making the announcement, the shareholders' general meeting may be convened. Extraordinary general meetings may not decide on matters not specified in the notice or announcement.

#### **Article 80**

The notice of the shareholders' general meeting shall meet the following

requirements:

- (1) be made in writing;
- (2) specify the venue, date and time of the meeting;
- (3) specify the record date for the purpose of determining which shareholders are entitled to attend the shareholders' meeting;
- (4) the name and contact number of the general contact person handling matters in relation to the shareholders' meeting;
- (5) set out the matters to be considered at the meeting;
- (6) provide the shareholders with such information and explanation as necessary for them to make informed decisions in connection with the matters to be discussed. This principle shall apply (but not limited to) when the Company proposes a merger, buy back of shares, reorganization of share capital or other restructuring, it shall provide the specific conditions and contracts (if any) of the proposed transaction, and explain the causes and effects of the transaction;
- (7) it shall disclose the nature and extent of material conflict of interests, if any, of any director, supervisor or senior managerial in any matter to be discussed; and provide an explanation of the difference, if any, between the way in which the matter to be discussed would affect such director, supervisor and senior management in his capacity as shareholder and the way in which such matter would affect other shareholders of the same category;
- (8) contain the full text of any special resolution to be proposed and approved at the meeting;
- (9) contain a clear statement that shareholders entitled to attend and vote at the meeting have the right to appoint one or more proxies to attend and vote at the meeting on their behalf and that such proxies need not be shareholders;
- (10) the time and place for the delivery of the meeting's proxy form.

### **Article 81**

If the election of directors or supervisors is proposed to be discussed at a shareholders' general meeting, the notice of such meeting shall fully disclose the detailed information of the candidates for directors or supervisors, which shall at least include:

- (1) personal particulars, including educational background, working experiences,

and concurrent positions;

- (2) whether he has any affiliation with the Company, its controlled shareholders and de facto controllers;
- (3) disclosure of the holding of the amount of shares of the Company; and
- (4) whether he has been subjected to the punishment by the CSRC or any other relevant authorities or reprimand of the stock exchange.

The nomination of each director and supervisor shall be by way of a separate resolution.

## **Article 82**

The notice of a shareholders' general meeting shall be served on the shareholders (whether or not entitled to vote thereat) by assigned persons or prepaid mail to the recipient's address shown in the register of shareholders (unless otherwise required by these Articles of Association). For holders of domestic shares, the notice of a shareholders' general meeting may also be given by public announcement.

The public announcement referred to in the preceding paragraph shall be published in one or more newspapers specified by the China Securities Regulatory Commission on any day from 45 to 50 days prior to the meeting. Once the announcement has been published, all holders of domestic shares shall be deemed to have received notice of the relevant meeting.

## **Article 83**

The notice of general meeting, information or explanatory statement that shall be served on holders of overseas listed foreign shares shall be delivered by any of the following means:

- (1) by personal delivery or by mail to the registered address of such holders of overseas listed foreign shares. The Company shall use its best endeavours to deliver in Hong Kong the notice that shall be served on the holders of H shares;
- (2) posting on the Company's website of the Company ([www.pingan.com](http://www.pingan.com)) or the website designated by the stock exchange where the Company's are listed according to applicable laws, administrative regulations and the relevant listing rules;
- (3) any other means acceptable to stock exchange where the shares of the Company are listed.

## **Article 84**

Upon delivery of the notice of a shareholders' general meeting, the board of directors shall not delay or cancel the meeting to be held, unless there is a proper reason;

motions stated in the notice of general meetings shall not be cancelled. Where the shareholders' general meeting is to be delayed or cancelled, the convener shall announce reasons therefor not less than two working days prior to the original date of the meeting, the register date of shareholders' shall not be changed therefore.

#### **Article 85**

The board of directors and other convener shall take necessary measures to ensure the proper order of the shareholders' general meeting. The Company shall take actions to stop anyone from interrupting the meeting, making trouble or infringing the lawful interests of other shareholders and shall refer such cases to relevant authorities for handling in time.

#### **Article 86**

All the shareholders appearing on the register of shareholders on the shareholding record date or their proxy are entitled to attend the shareholders' general meeting and to exercise their voting right according to the relevant laws, regulations and these Articles of Association.

Any shareholder entitled to attend and vote at a shareholders' meeting shall have the right to appoint one or more persons (who need not be a shareholder) as his proxy or proxies to attend and vote on his behalf. Such proxy may exercise the following rights according to his entrustment by the shareholder:

- (1) the shareholder's right to speak at the shareholders' general meeting;
- (2) the casting of votes in exercising his right to vote.

#### **Article 87**

Shareholders shall appoint proxy in writing, signed by the person appointing or person authorised in writing. An instrument appointing a legal entity as proxy shall have applied to it its company chop or signed by its directors or duly authorized person or other authorized signatory. The form of proxy shall state the number of shares in respect of which the proxy shall act. Where multiple proxies are appointed, each instrument of proxy shall state the number of shares in respect of which the particular proxy shall act.

#### **Article 88**

The instrument appointing a voting proxy shall be deposited at the domicile of the Company or at the other place as specified in the notice of the meeting within 24 hours prior to the meeting to which the voting right as appointed by the instrument relates or within 24 hours prior to the specified time of the vote. Where the instrument is signed by another person authorized by the entrusting party, the power of attorney or other document authorizing the signature shall be notarized. The notarized power of attorney or other authorizing document shall be deposited together with the instrument appointing the proxy at the domicile of the Company or at such other place as specified in the notice of the meeting.

Where the entrusting party is a legal person, its legal representative or the person authorized by resolution of its board of directors or other decision-making body shall be entitled to attend the Company's shareholders' meeting as the representative of such legal person.

#### **Article 89**

Any form of proxy instrument sent to shareholders by the board of directors of the Company for the appointment of proxy shall set out options for the shareholder to instruct its proxy as to whether to vote for or against, and shall give shareholders the opportunity to give instructions for each proposed resolution. The form of proxy shall specify in the absence of voting instructions from the shareholder, the proxy may vote as he thinks fit.

#### **Article 90**

Individual shareholders attending in person shall produce identity documents or other valid documents or evidence, securities account card as proof of identity.

#### **Article 91**

Proxies attending for individual shareholders shall produce identity documents and the instrument of proxies. Proxies attending for legal person shareholders appointed by the legal representative of the legal person shall produce identity documents and the instruments of proxies signed by the legal representative of the shareholder. Proxies attending for shareholders appointed by the board of directors or executive authority of the shareholder shall produce identity documents and the instrument of proxies signed by the board of directors or executive authority of the shareholder and stamped with company chop of the shareholder. Completed instruments of proxies shall be dated.

#### **Article 92**

The signature attendance record of the attendees of the shareholders' general meeting shall be prepared by the Company. Items such as name of the shareholders, identity code, address, number of voting shares held or represented, name of the proxy and the name of the shareholder being represented etc. shall be reflected in the attendance record.

#### **Article 93**

Votes by a proxy given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or loss of capacity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no notice in writing of such death, loss of capacity, revocation or transfer shall have been received by the Company before the commencement of the meeting in relation to which the proxy is issued.

#### **Article 94**

The Company's directors, supervisors and secretary of the Board should attend the shareholders' meeting. Senior management should sit in at the shareholders' meeting.

#### **Article 95**

The Company shall have a set of procedural rules for shareholders' meeting detailing the procedures regarding convening and voting at the shareholders' meeting, including notice, registration, consideration of motions, casting of votes, counting of votes, announcement of voting results, mode of resolutions, preparation and signing of minutes, public announcement and principles as relates to authorization.

#### **Article 96**

The board of directors and the supervisory committee should report to the shareholders at the shareholders' general meeting the work undertaken by them over the past year, and each independent director shall also report on the carrying out of their duties.

#### **Article 97**

The resolutions of a shareholders' general meeting are classified into ordinary resolutions and special resolutions.

Ordinary resolutions of the shareholders' general meeting shall be passed by more than half of the voting rights held by the shareholders (including proxies) present at the meeting.

A special resolution of the shareholders' general meeting shall be passed by more than two-thirds of the Company's total voting rights held by the shareholders who are present at the meeting (including proxies).

#### **Article 98**

The following matters shall be resolved by way of ordinary resolution of the shareholders' general meeting:

- (1) work reports of the board of directors and the supervisory committee;
- (2) profit distribution proposals and proposals for making up losses formulated by the board of directors;
- (3) appointment and dismissal of directors and supervisors and matters relating to their remuneration;
- (4) the Company's annual budgets, final accounts, annual reports, balance sheets, profit and loss accounts and other financial statements;
- (5) guarantees provided by the Company to the Company's shareholders or the de

facto controllers;

- (6) matters other than those which are required by the laws, administrative regulations and these Articles of Association to be resolved by way of special resolutions.

### **Article 99**

The following matters shall be resolved by way of a special resolution of the shareholders' general meeting:

- (1) increase or reduction of the Company share capital and issuance of any class of shares, warrants or other similar securities;
- (2) buy-back of Company's shares;
- (3) issuance of Company's bonds;
- (4) division, merger, dissolution and liquidation of the Company;
- (5) amendment of these Articles of Association of the Company;
- (6) the acquisition or disposal by the Company of material assets or the granting of guarantees within a 12 month period with a value exceeding 30% of the latest audited total assets value;
- (7) share incentive schemes;
- (8) other matters which are required by the laws, administrative regulations or these Articles of Association, and matters which, according to an ordinary resolution of the shareholders' general meeting, may have a significant impact on the Company and should require adoption by way of a special resolution.

### **Article 100**

When shareholders (including proxies) vote at the shareholders' general meeting, they shall exercise their voting rights according to the number of voting shares with voting rights attached they represent. Each share shall have one vote.

The Company's shares held by the Company shall not carry voting rights. Such shares shall not be included in the total numbers of the voting rights represented by the shareholders attending the meeting.

The board of directors, independent directors and certain qualified shareholders of the Company may canvass the Company's shareholders for votes at shareholders' general meetings.

### **Article 101**

On a poll taken at a meeting, a shareholder (including his proxies) entitled to two or

more votes need not cast all his votes in the same way.

#### **Article 102**

When considering connected transactions at a shareholders' general meeting, the connected shareholders shall not participate in voting and the voting rights carried by the shares held by the connected shareholders shall be not counted towards the total number of shares entitled to vote.

Where any shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or to vote only for or only against any particular resolution, the votes of those shareholders or proxy in contravention thereof shall not be counted towards the valid number of votes.

#### **Article 103**

The general meetings shall resolve on all motions included in the agenda separately. Where different motions for the same issue are proposed, such motions shall be voted on and resolved in the order of time in which they are proposed. Unless the shareholders' general meeting is adjourned or no resolution can be made due to special reasons such as force majeure, voting of such proposals shall neither be put on hold nor voting by-passed at the shareholders' general meeting.

#### **Article 104**

No amendment shall be made to a proposal when it is considered at a shareholders' general meeting. Otherwise, the relevant amendment shall be regarded as a new proposal and shall not be voted on at the shareholders' general meeting.

#### **Article 105**

The shareholders' general meeting shall vote by open ballot.

#### **Article 106**

An independent director shall have the right to propose to the board of directors for holding an extraordinary general meeting and should do so by written notice to the board of directors. With regard to the proposal made by the independent director for holding an extraordinary general meeting, the board of directors shall, in accordance with the laws, administrative rules and these Articles of Association, give a written reply on whether to hold the extraordinary general meeting within 10 days upon receipt of the proposal.

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

#### **Article 107**

The supervisory committee shall have the right to propose to the board of directors to hold an extraordinary general meeting, and shall put forward its proposal to the board of directors in writing. The board of directors shall, in accordance with the laws, administrative regulations and these Articles of Association, give a written reply on whether to hold the extraordinary general meeting or not within 10 days upon receipt of the proposal.

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

If the board of directors does not agree to hold the extraordinary general meeting or fails to give a written reply within 10 days upon receipt of the proposal, it shall be regarded that the board of directors cannot perform or fails to perform the duty of convening the extraordinary general meeting, and the supervisory committee may convene and preside over the meeting by itself.

### **Article 108**

Shareholders shall comply with the following procedures when proposing to convene an extraordinary general meeting:

- (1) shareholders individually or collectively holding more than 10% of the Company's shares have the right to propose to the board of directors to convene an extraordinary general meeting, and require the board of directors to reply in writing within 10 days upon receipt of the request whether it agrees or not to convene the extraordinary general meeting according to the laws, administrative regulations and these Articles of Association of the Company;
- (2) if the board of directors agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five days after the resolution is made by the board of directors. In the event of any changes to the original proposal set forth in the notice, the consent of the relevant shareholders shall be obtained.
- (3) if the board of directors does not agree to convene the extraordinary general meeting, or fails to give a written reply within 10 days upon receipt of the proposal, shareholder(s) individually or collectively holding more than 10% of the Company's shares have the right to propose to the supervisory committee to convene an extraordinary meeting. The proposal shall be made in writing.
- (4) if the supervisory committee agrees to hold the extraordinary shareholders' general meeting, it shall serve a notice of such meeting within five days after such proposal is received. In the event of any change to the original proposal set forth in the notice, the consent of the shareholders shall be obtained.
- (5) if the supervisory committee fails to give notice of general meeting within the specified period, the supervisory committee shall be regarded as not convening and holding the shareholders' general meeting, and the shareholders individually or collectively holding 10% or more shares carrying voting rights on such

proposed meeting for over 90 consecutive days may convene the meeting on their own accord.

#### **Article 109**

Where the supervisory committee or shareholders decide to convene shareholders' general meetings by itself/themselves, it/they shall notify the board of directors in writing and file on record with the relevant governing authority in accordance with the applicable guidelines. The shareholding of the shareholders convening the general meeting shall not be less than 10% prior to announcing the results of the general meeting.

#### **Article 110**

If the number of directors falls short of the minimum number required by the Company Law or the unrecovered losses of the Company amount to one-third of the total amount of its paid-up share capital and the board of directors fails to convene the shareholders' meeting within the stipulated time, the supervisors or shareholders may convene a shareholders' meeting according to the procedure set forth in Articles 107 and 108.

#### **Article 111**

The general meeting shall be presided over by the chairman of the board of directors who shall act as the chairman of the meetings. If the chairman is unable or has failed to perform his duties, the deputy chairman (in case the Company has two deputy chairmen, then the deputy chairman jointly elected by a simple majority of directors) shall preside over and act as the chairman of the meetings. In the event that the deputy chairman is unable or has failed to perform his duties, a director shall be jointly elected by a simple majority of directors to preside over and act as the chairman of the meetings.

A shareholders' general meeting convened by the supervisory committee itself shall be chaired and presided over by the chairman of the supervisory committee. If the chairman of the supervisory committee cannot perform or fails to perform his duties, the majority of the supervisors shall jointly elect a supervisor to chair the meeting.

A shareholders' general meeting convened by the shareholders themselves shall be presided by a representative elected by the convener. If the convener cannot elect a chairman of the meeting, the shareholder attending the meeting that hold the most voting shares (including the proxy) shall be the chairman and preside the meeting.

When the shareholders' general meeting is held and the chairman of the meeting violates these Rules which makes it difficult for the shareholders' general meeting to continue, a person may be elected at the shareholders' general meeting to act as the chairman of the meeting, subject to the approval of more than half of the shareholders having the voting rights who are present at the meeting.

#### **Article 112**

With regard to the shareholders' general meeting convened by the supervisory committee or shareholders on its/their own initiative, the board of directors and its secretary shall offer cooperation. The board of directors shall provide a register of shareholders as of the shareholding record date.

#### **Article 113**

The necessary expenses and cost for the shareholders' general meeting convened by the supervisory committee or the shareholders on its/their own initiative shall be borne by the Company.

#### **Article 114**

The measures and procedures to nominate directors and supervisors other than those representing employees are as follows:

- (1) the board of directors and the supervisory committee may respectively nominate the candidate for directors and supervisors to be elected from shareholders within the headcount limit as provided in these Articles of Association and according to the intended numbers to be elected.
- (2) the nomination committee shall preliminarily examine the qualification and conditions of the candidate directors and the candidate supervisors. The qualified candidates shall be submitted to the board of directors and the supervisory committee for examination. After the board of directors and the supervisory committee has approved the candidates by resolution, a written proposal of the candidate directors and the candidate supervisors shall be submitted to the shareholders' general meeting. The board of directors and the supervisory committee shall provide to the shareholders the resume and brief conditions of the candidate directors and the candidate supervisors.
- (3) the shareholders' general meeting shall vote on the candidates one by one.
- (4) in case of any need to add or change any director or supervisor, the board of directors or the supervisory committee is responsible for proposing to the shareholders' general meeting the selection or change of a director or supervisor.

#### **Article 115**

Except for involving business secrets of the Company that cannot be disclosed, the directors, supervisors and senior management shall make replies or explanations to the inquiries and suggestions of shareholders on shareholders' general meeting.

#### **Article 116**

The chairman of the meeting shall be responsible for determining whether a shareholders' resolution has been passed, such determination shall be final and conclusive and shall be announced in the meeting and recorded in the minutes.

### **Article 117**

If the chairman of the meeting has any doubts as to the result of a resolution which has been put to vote at a shareholders' general meeting, he may have the votes counted. If the chairman of the meeting has not counted the votes, any shareholder present in person or by proxy who objects to the result announced by the chairman of the meeting may, immediately after the declaration, demand that the votes be counted and the chairman of the meeting shall have the votes counted immediately.

### **Article 118**

If the votes are counted at the shareholders' general meeting, the result shall be recorded in the minutes.

### **Article 119**

The shareholders' general meetings shall keep minutes. Directors, supervisors, the secretary to the board of directors, the convener or their representatives, and the chairman of the meeting and the recorders attending the meeting shall sign the minutes of the meeting.

The secretary of the board of directors shall be responsible for the minutes of shareholders' general meetings. The minutes shall set out the following:

- (1) the date, time place and agenda of the meeting, and the name of the convener;
- (2) the names of the chairman of the meeting, and the directors, supervisors, and other senior management of the Company attending or present at the meeting;
- (3) the number of shareholders and proxies attending the meeting, the total number of voting shares they represent and the proportion of the domestic shares shareholders (including by proxy) and the H shares shareholders (including by proxy) to the total number of shares of the Company;
- (4) the process of discussion in respect of each proposal, highlights of the proposals considered which are proposed by the persons who speak at the meeting and the results of the poll (the voting results of the domestic shares shareholders and the H shares shareholders in respect of each resolution should also be recorded);
- (5) details of the inquiries or recommendations of the shareholders, and the corresponding response or explanations;
- (6) the names of the counting officer and scrutinizer;
- (7) other matters which, according to the shareholders' general meeting and the provisions of these Articles of Association, shall be recorded in the minutes of the meeting.

### **Article 120**

The convener shall ensure the truthfulness, accuracy and completeness of the minutes of the meeting. The minutes of the meeting, together with the shareholders' attendance sheets and proxy forms, other valid information relating to other modes of resolution shall be kept at the Company's premises. Minutes of meetings shall be kept for ten years.

#### **Article 121**

The resolutions of the shareholders' general meeting shall be duly announced. In the event that a proposal in connection with the meeting has not been adopted or the resolutions of the preceding shareholders' general meeting have been changed at the current shareholders' general meeting, the board of directors shall specify the same in the announcement of the resolutions of the shareholders' general meeting.

#### **Article 122**

Newly appointed directors and supervisors shall effectively take office on the date of the shareholders' general meeting which the proposals to appoint the directors and supervisors were passed.

#### **Article 123**

Where a proposal on cash dividends, bonus shares or increase of share capital by way of transfer from capital reserves is passed, the Company shall implement the specific scheme within two months upon conclusion of the shareholders' general meeting.

#### **Article 124**

Copies of the minutes of meeting shall be available to any shareholder for inspection free of charge during the business hours of the Company. If a shareholder requests for a copy of the relevant minutes, the Company shall send a copy to him within seven days after receiving payment of the reasonable charges.

### **CHAPTER 9: SPECIAL VOTING PROCEDURES FOR SHAREHOLDERS OF DIFFERENT CLASSES**

#### **Article 125**

Shareholders who hold different classes of shares shall be class shareholders.

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

#### **Article 126**

If the Company intends to change or abrogate the rights of class shareholders, it may do so only after such change or abrogation has been approved by way of a special resolution at the shareholders' general meeting and by a separate shareholders'

meeting convened by the affected shareholders of that class in accordance with Articles 128 to 132.

### **Article 127**

The rights of shareholders of a certain class shall be deemed to have been amended or canceled in the following circumstances:

- (1) to increase or decrease the number of shares of such class, or to increase or decrease the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;
- (2) to effect an exchange of all or part of the shares of such class into shares of another class, or to effect an exchange or create a right of exchange of all or part of the shares of another class into the shares of such class;
- (3) to remove or reduce rights to accrued dividends or cumulative dividends attached to shares of such class;
- (4) to reduce or remove a dividend preference or property distribution preference during the liquidation of the Company attached to shares of such class;
- (5) to add, remove or reduce share conversion rights, options, voting rights, transfer rights, pre-emptive rights to rights issues or rights to acquire securities of the Company attached to shares of such class;
- (6) to remove or reduce rights to receive amounts payable by the Company in a particular currency attached to shares of such class;
- (7) to create a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of that class;
- (8) to restrict or impose additional restrictions on the transfer or ownership of shares of such class;
- (9) to issue rights to subscribe for, or convert into, shares of such class or another class;
- (10) to increase the rights and privileges of shares of another class;
- (11) to restructure the Company where the proposed restructuring will result in different classes of shareholders having to bear liability to different extents; or
- (12) to amend or cancel the provisions of these Articles of Association .

### **Article 128**

Shareholders of the affected class, whether or not originally having the right to vote at shareholders' general meetings, shall have the right to vote at class meetings in respect of matters referred to in items (2) to (8) or (11) to (12) of Article 127, except

that interested shareholders shall not have the right to vote at class meetings.

For the purposes of the preceding paragraph, the term “interested shareholders” shall have the following meanings:

- (1) if the Company has made a buy-back offer to all shareholders in the same proportion or has bought back its own shares through public trading on a securities exchange in accordance with Article 37 hereof, the controlling shareholders as defined in Article 67 hereof shall be “interested shareholders”;
- (2) if the Company has bought back its own shares by agreement outside a securities exchange in accordance with Article 37 hereof, holders of shares in relation to such agreement shall be “interested shareholders”; or
- (3) under a restructuring proposal of the Company, shareholders who will bear liability in a proportion smaller than that of the liability borne by other shareholders of the same class, or shareholders who have an interest in a restructuring proposal of the Company that is different from the interest in such restructuring proposal of other shareholders of the same class shall be “interested shareholders”.

#### **Article 129**

Resolutions of class meeting may be passed only by more than two-thirds of the voting rights of that class represented at the meeting in accordance with Article 128 hereof.

#### **Article 130**

When the Company is to hold a class meeting, it shall issue a written notice 45 days prior to the meeting informing all the registered shareholders of that class of the matters to be examined at the class meeting as well as the date and place of the meeting. Shareholders who intend to attend the class meeting shall, within 20 days prior to the day of the meeting, deliver a written reply to the Company indicating such intention.

If the number of shares carrying the right to vote at the meeting represented by the shareholders intending to attend the meeting is more than half of the total number of shares of that class carrying the right to vote at the meeting, the Company may hold the meeting of shareholders of that class. If not, the Company shall within five days inform the shareholders once again of the agenda, time and place of the meeting in the form of a public announcement. Upon notification by public announcement, the Company may hold the class meeting.

The quorum for a separate class shareholders meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the holders of at least one-third of the issued shares of that class.

#### **Article 131**

The notice of a class meeting needs to be delivered only to the shareholders entitled to vote at that meeting.

The procedures according to which a class meeting is held shall, to the extent possible, be identical to the procedures according to which a general shareholders' meeting is held. Provisions of these Articles of Association relevant to procedures for the holding of a shareholders' general meeting shall be applicable to class meetings.

### **Article 132**

In addition to holders of other classes of shares, holders of domestic shares and overseas listed foreign shares shall be deemed to be shareholders of different classes.

The special voting procedures for approval by a class of shareholders shall not apply:

- (1) where, as approved by way of a special resolution of the shareholders' general meeting, the Company issues, either separately or concurrently, domestic shares and overseas listed foreign shares every 12 months, and the number of the domestic shares and overseas listed foreign shares intended to be issued does not exceed 20 percent of the issued and outstanding shares of the respective categories; or
- (2) where the plan for issuance of domestic shares and overseas listed foreign shares upon the establishment of the Company is completed within 15 months after being approved by the CSRC.

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

### **Article 133**

The Company shall establish a board of directors. The board of directors shall compose of 19 directors, among which there shall be one chairman, one or two vice chairman, no less than two executive directors and no less than three independent directors.

### **Article 134**

A director is elected by the shareholders' general meeting with a term of office of three years. A director may serve consecutive terms if re-elected upon expiry of the term. The shareholders' general meeting shall not remove a director without due reason before the expiry of the director's term of office.

The senior management can also be directors, but the total number of directors who are also senior management shall not exceed one half of the total number of directors of the Company.

The board of directors shall have a chairman and vice chairman which positions shall be served by directors of the board. The chairman of the board of directors and the vice chairman (or vice chairmen) of the board of directors shall be elected and

removed by more than half of all the directors. The chairman of the board of directors and the vice chairman (or vice chairmen) of the board of directors shall serve a term of three years and may serve consecutive terms if reelected upon the expiration of their terms.

The directors are natural persons and need not be shareholders.

#### **Article 135**

A written notice of the intention to nominate a person for election as a director and a written notice by that person expressly indicating his acceptance of such nomination shall be given to the Company no earlier than the day after the dispatch of the notice of the shareholders' general meeting and no later than seven days before the date of such shareholders' general meeting, and the minimum period during which the notices shall be given will be seven days.

#### **Article 136**

The term of a director's office commences from the date of appointment and ends with the term of the current board of directors.

#### **Article 137**

Subject to compliance with all relevant laws and administrative regulations, the shareholders' general meeting may by an ordinary resolution remove any director before the expiration of his term of office. However, the director's right to claim for damages under any contract shall not be affected.

#### **Article 138**

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

- (1) to be responsible for convening shareholders' general meetings and reporting its work to the shareholders' general meetings;
- (2) to implement the resolutions of the shareholders' general meeting;
- (3) to determine the Company's management and operation plans and investment schemes;
- (4) to formulate the Company's annual budgets and final accounts;
- (5) to formulate the Company's profits distribution plans and loss recover plans;
- (6) to formulate plans of increasing or decreasing the Company's registered capital, and issuing corporate bonds or other securities, and listing plans;

- (7) to draft plans for important acquisition or acquisition of the shares of the Company or the plans of merger, division, dissolution and change of the formation, of the Company;
- (8) to determinate the setup of the Company's internal management structure;
- (9) to appoint and remove the Company's senior management as nominated by the chairman of the board of directors and decide their remuneration, reward and reprimand matters;
- (10) to formulate the Company's basic management system and regulations;
- (11) to formulate proposals to amend these Articles of Association;
- (12) to manage the issues in respect of the Company's information disclosure;
- (13) to decide on issues in respect of the material investment, acquisition or sale of assets, asset mortgage, external guarantee, entrusted financing, affiliated transactions, etc. as authorized by shareholders' general meetings;
- (14) to receive the work report of the Company's CEO and supervise his/her work;
- (15) to exercise other powers as provided by laws, administrative rules or these Articles of Association and as authorized by the shareholders' general meeting.

All the above board resolutions shall be passed by over one half of the directors; provided that the resolutions covered in items (6), (7) and (11) and in relation to the granting of external guarantee shall be passed by over two-thirds of the directors.

### **Article 139**

The board of directors shall determine the scope of authorities in respect of external investment, acquisition or sale of assets, asset mortgage, external guarantees, entrusted finance management and connected transactions, and establish strict examination and decision making procedures. Material investment projects shall be reviewed by experts and professionals and shall be subject to shareholders' approval at general meeting.

The "material investment projects" referred to above shall mean an investment project where any of the applicable assets, consideration, profits, revenue or equity ratios as prescribed by the Stock Exchange Listing Rules from time to time of which (the "5 ratios") is over 25%, or an investment project where any of the transaction amount ratio and net profit ratio (the "2 ratios") as prescribed by SSE Listing Rules from time to time of which is over 50%.

Any investment where any of the 5 ratios are below 25% or investments where any of

the 2 ratios are below 50% shall be determined by the board of directors as authorized by the shareholder at general meeting.

#### **Article 140**

In disposing of fixed assets, where the sum of the expected value of the fixed assets to be disposed of together with the value of the fixed assets which have been disposed of within the four months preceding the proposal to dispose of these assets exceeds 33% of the value of the fixed assets reflected by the latest balance sheet approved by the shareholders' general meeting, the board of directors shall not dispose of, or agree to dispose of, such fixed assets without the prior approval of the shareholders' general meeting

For the purposes of this Article, the term "disposal of fixed assets" shall include the assignment of a certain interest in assets other than by way of guarantees.

The validity of transactions whereby the Company disposes of fixed assets shall not be affected by the breach of the first paragraph hereof.

#### **Article 141**

The board of directors shall make presentations to the shareholders' general meeting on the non-standard audit opinion produced by the certified accountants on the Company's financial reports.

#### **Article 142**

The board of directors shall prepare procedural rules for board meetings so as to ensure the working efficiency and scientific decision-making of the board of directors.

#### **Article 143**

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

- (1) to preside over shareholders' general meetings and to convene and preside over meetings of the board of directors;
- (2) to procure and examine the implementation of resolutions of the board of directors;
- (3) to sign securities certificates issued by the Company;
- (4) to sign important documents of the meetings of the board of directors and other documents that require signature by the legal representative of the Company;
- (5) to exercise the powers of legal representative;
- (6) to handle company affairs in accordance with the law and the interests of the Company in cases of emergency caused by natural disasters or other force majeure events, and report to the board of directors and shareholders' general

meeting thereafter;

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

The vice chairman of the board of directors shall assist the chairman of the board of directors. Where the chairman of the board of directors cannot or fails to perform his/her duties, the vice chairman of the board of directors (where the Company has two vice chairmen, one appointed by one half or more of the directors) shall perform the same. Where the vice chairman of the board of directors cannot or fails to perform his/her duties, the director appointed by one half or more of the directors shall perform these duties.

#### **Article 144**

The board of directors shall convene regular board meeting at least four times each year. The meeting shall be convened by the chairman and all the directors and supervisors shall be notified in writing 14 days prior to the meeting.

The chairman of the board of directors shall convene and preside over an extraordinary board of directors meeting within 10 days upon the receipt of a proposal for such a meeting where a meeting is:

- (1) considered by the chairman of the board of directors to be necessary;
- (2) jointly proposed by one-third or more of the directors;
- (3) proposed by the supervisory committee;
- (4) proposed by the CEO; or
- (5) proposed by the shareholders representing more than 10% of the shares with voting rights of the Company.

#### **Article 145**

The board of directors may convene extraordinary board meeting and conduct the voting via telecommunications. The 14 days prior notice requirement need not apply in this situation provided that notice of such a meeting shall be delivered to the directors and supervisors in a timely and effectively manner.

#### **Article 146**

The notice for a board of directors meeting shall include the following:

- (1) the date and venue of the meeting;
- (2) the time limit for the meeting;
- (3) the reasons for and the proposed resolutions of the meeting; and

(4) the date of the notice.

#### **Article 147**

The quorum for a board of directors meeting shall be more than one half of the directors, including the directors authorized to attend pursuant to Article 150.

Each director shall be entitled to one vote. Resolutions of the board of directors shall be passed by more than half of all the directors.

When the number of votes for and against a resolution is equal, the chairman of the board shall not have a casting vote.

Voting at a board of directors meeting shall be by a show of hands.

#### **Article 148**

A director who is connected to companies associated with matters to be resolved at the board of directors meeting, such director shall not vote, on his own or other director(s)'s behalf, on such resolution. Such board of directors meeting may be held with not less than one half of the independent directors present and the resolutions thereof are to be passed by not less than one half of the independent directors. If less than three independent directors are present at the board of directors meeting, such matters shall be submitted to the shareholders' general meeting for approval.

#### **Article 149**

An extraordinary board of directors meeting may held and the directors may vote by means of facsimile provided that the right of the directors to express their opinions can be protected sufficiently, and the directors in attendance shall sign the resolution.

#### **Article 150**

Meetings of the board of directors shall be attended by the directors in person. Where a director is unable to attend a board of directors meeting in person, he/she may authorize another director in writing to attend the meeting on his/her behalf. The written power of attorney shall set forth the name of the proxy, the matters being authorized, the scope and duration of the authorization and shall be signed or chopped by the authorizing director.

A director who attends a meeting on behalf of another director shall exercise the rights of a director within the scope of authority granted. If a director fails to attend a meeting of the board of directors and has not appointed a representative to attend on his behalf, he shall be deemed to have waived his voting rights in respect of that meeting.

#### **Article 151**

The board of directors shall keep minutes of its decisions on the matters examined at its meetings. The directors attending a meeting and the person taking minutes shall

sign the minutes of that meeting. Directors present in the meeting shall have the right to add explanatory descriptions to his/her representations at the meeting in the minutes. The directors shall bear liability for the decisions of the board of directors. Where a resolution of the board of directors violates laws, administrative regulations or these Articles of Association, and thereby causing serious losses to the Company, the directors who took part in the resolution shall be liable to the Company for damages. However, where a director can prove that he expressed his opposition to such resolution when it was put to be voted on, and that such opposition was recorded in the minutes of the meeting, the director may be relieved from such liability.

The minutes of board meeting shall be kept as archives of the Company by the secretary of the board of directors. The minutes of board meetings shall be kept for 10 years.

### **Article 152**

The minutes of board meetings shall include the following contents:

- (1) the date, venue and convener of the meeting;
- (2) the names of the directors present at the meeting, the directors authorized to attend the meeting on behalf of others (the proxies);
- (3) the agenda of the meeting;
- (4) the major views expressed by the directors; and
- (5) the voting methods and results for each motion, the voting results shall specify the respective number of assenting, dissenting votes.

### **Article 153**

The following personnel shall not act as an independent director of the Company:

- (1) company shareholder or a staff member of a Company shareholder.
- (2) internal personnel of the Company.
- (3) persons having interest relationships with connected persons of the Company or the management staff of the company.
- (4) other persons who are regulated by laws, administrative measures and these Articles of Association.

### **Article 154**

The strategy and investment committee, audit and risk management committee, nomination committee and remuneration committee set up under the board of directors shall report to the board of directors.

## **CHAPTER 11: SECRETARY OF THE BOARD OF DIRECTORS**

### **Article 155**

The Company shall have a secretary of the board of directors. The secretary of the board of directors shall be a member of the senior management of the Company and shall be accountable to the board of directors.

### **Article 156**

The secretary of the board of directors shall be a natural person with the necessary professional knowledge and experience. He shall be nominated by the chairman of the board and appointed by the board of directors.

The circumstances under which a person shall not serve as a director of the Company as stipulated in these Articles of Association shall also apply to the secretary of the board of directors.

The main duties of the secretary of the board of directors are:

- (1) to guarantee that the Company has complete organizational documents and records;
- (2) to organize the board meetings and shareholders' general meetings, to be in charge of the minutes of meetings and the safekeeping of meeting documents and records;
- (3) to ensure that the Company prepares and submits the documents and reports required by relevant authorities;
- (4) to ensure that the Company's register of shareholders is properly established and to ensure that persons entitled to relevant records and documents of the Company obtain such relevant records and documents in a timely manner;
- (5) to be responsible for the coordination and organization of information disclosure matters of the Company and to ensure that the information disclosures are timely, accurate, lawful, true, and complete;
- (6) to discharge other duties as required by these Articles of Association and other related laws.

### **Article 157**

A director or other senior management (except for CEO and CFO) of the Company may also act concurrently as the secretary of the board of directors. A certified accountant of an accounting firm or a lawyer of law firm which has been appointed by the Company may not act concurrently as the secretary of the board of directors.

Where the office of the secretary of the board of directors is held concurrently by a

director, and a certain act is required to be done by the director and the secretary of the board of directors separately, the person who concurrently holds the offices of director and secretary of the board of directors may not perform such act in both capacities.

## **CHAPTER 12: SUPERVISORY COMMITTEE**

### **Article 158**

The Company shall have a supervisory committee.

### **Article 159**

The supervisory committee shall be composed of seven persons, one of whom shall be the chairman of the supervisory committee. The term of office of a supervisor shall be three years. A supervisor may serve consecutive terms if re-elected upon the expiration of his term.

The appointment or dismissal of the chairman of the supervisory committee shall be determined by two-thirds or more of the members of the supervisory committee.

Where the chairman of the supervisory committee cannot perform or fails to perform his duties, a supervisor elected by over half of the total number of the supervisors shall convene and preside over the meeting of the supervisor committee.

### **Article 160**

The supervisory committee is made up of supervisors representing the shareholders, supervisors representing employees of the Company and external supervisors. Supervisors representing the shareholders and external supervisors shall be elected and dismissed by shareholders in general meeting; the employee representatives shall be elected or dismissed democratically by employees representative meeting and other democratic ways. Supervisors representing employees of the Company shall not be less than one third of the total number of supervisors.

### **Article 161**

The Company's directors and other senior management may not serve concurrently as supervisors.

### **Article 162**

The Committee shall hold at least one meeting every six months. The chairman of the supervisory committee shall be responsible for convening meetings of the supervisory committee. Supervisors may propose to convene an extraordinary meeting.

### **Article 163**

The supervisory committee shall be accountable to the shareholders' general meeting and exercise the following functions and powers according to law:

- (1) to submit written audit opinions on the regular reports prepared by the board of directors of the Company;
- (2) to examine the Company's financial affairs;
- (3) to supervise the act of the directors and the senior management who perform the companies' duties. To suggest the removal of the directors and senior management who violate any laws, regulations, these Articles of Association or resolutions passed in the shareholders' general meeting;
- (4) to require a director or other senior management of the Company to rectify an act if such act is harmful to the Company's interests;
- (5) to verify financial information such as financial reports, business reports, profit distribution plans, etc. that the board of directors intends to submit to the shareholders' general meeting and, if in doubt, to be able to appoint a registered accountant or practicing auditor in the name of the Company to assist in reviewing such information;
- (6) to propose the holding of extraordinary general meetings and hold and preside over the shareholders' general meetings in the event that the board of directors fails to act in accordance with the regulation of the Company Law to hold and preside the shareholders' general meeting;
- (7) to submit proposals to the shareholders' general meetings;
- (8) to institute litigation against directors and senior management according to Article 152 of the Company Law;
- (9) if it is aware that the operation of the Company is improper, it can conduct investigations; if necessary, it can employ professional institutions such as accounting firms, law firms to assist his investigation work;
- (10) other functions and powers provided for in these Articles of Association.

Supervisors may attend meetings of the board of directors and make inquiries and suggestions to the resolutions of the board of directors.

#### **Article 164**

The method of discussions at the meetings of the supervisory committee shall be as follows:

All supervisors shall be informed of the meeting of the supervisory committee in writing not less than 10 days prior to the convening of the meeting. The supervisory committee meeting shall be held only when more than half of supervisors are present. Each supervisor has the right to one vote at the meeting. Resolutions of the meeting of

the supervisory committee shall be passed by an affirmative vote of more than two-thirds of all of its members.

The notice of the meeting shall contain the following content: the date, venue and duration of the meeting, the purpose and the items to be considered as well as the date on which the notice is despatched.

The supervisory committee enacts the procedural rules for the supervisory committee, identify the method of negotiation and way of resolution in order to ensure working efficiency and scientific decision-making.

#### **Article 165**

The reasonable expenses incurred by the supervisory committee in the employment of professionals such as lawyers, registered accountants, practicing auditors, etc. in the exercise of its functions and powers shall be borne by the Company.

#### **Article 166**

Minutes of the meeting shall be prepared by the supervisory committee recording resolutions made in relation to the matters considered. The supervisors attending the meeting and the person taking minutes shall sign the minutes of meeting. The supervisors are entitled to add explanatory descriptions to their representations made at the meeting. The minutes of meeting of the supervisory committee shall be kept as archives of the Company at the domicile of the Company. The minutes of meeting shall be kept for 10 years.

### **CHAPTER 13: EXECUTIVE COMMITTEE**

#### **Article 167**

The Company sets up an executive committee, which composed of the chief executive officer (the “CEO”), the chief operation officer (the “COO”), the chief financial officer (the “CFO”) and several other members. The chairman of the board of directors or the CEO shall lead the executive committee.

#### **Article 168**

The Company sets up one of CEO, engaged or discharged by the board of directors. The term of appointment of the CEO shall be three years, subject to re-appointment upon expiry of his term.

#### **Article 169**

The CEO shall be accountable to the board of directors and shall exercise the following functions and powers:

- (1) to be in charge of the operation and management of the Company and to organize the implementation of the decisions, resolutions, policies and

development plans of the board of directors and the supervisory committee, and report to the board of directors;

- (2) to organize the implementation of the Company's annual business plans, budgets and investment plans;
- (3) to formulate the Company's internal management organization.
- (4) to devise the Company's basic management system;
- (5) to draw up the basic rules and regulations of the Company;
- (6) to be responsible for submitting the annual work report and other reports to the board of directors;
- (7) to employ or dismiss management personnel whose employment or dismissal is not subject to the approval of the board of directors and determine their remuneration;
- (8) to propose the convening of the extraordinary meeting of the board of directors;
- (9) other matters as authorized by these Articles of Association and the board of directors.

#### **Article 170**

The executive committee shall have terms of reference which shall be implemented upon approval by the board of directors.

#### **Article 171**

The terms of reference of the executive committee include:

- (1) the conditions, procedures and participants of the executive committee meetings;
- (2) the duties and division of work of the members of the executive committee;
- (3) the application of assets and financial resources of the Company, authority to enter into material agreements and the reporting system to the board of directors and supervisory committee;
- (4) other matters which the board of directors considers necessary.

#### **Article 172**

The CEO shall attend meetings of the board of directors, but shall not have the right to vote at such meetings if he is not also a director.

#### **Article 173**

In the exercise of their functions and powers, the CEO shall perform his duties in good faith and with diligence and in accordance with laws, administrative regulations and these Articles of Association.

#### **Article 174**

The Company shall have one COO, being the President of the Company. The COO is elected for a term of three years and may serve consecutive terms if re-elected upon the expiration of his term.

#### **Article 175**

The COO is accountable to the CEO, and shall exercise the following functions and powers:

- (1) to assist with the work of the CEO, and be responsible for implementing the daily operations and management of the Company;
- (2) responsible for convening the daily performance analysis meetings of the Company;
- (3) responsible for coordinating the daily management and administration of the subsidiaries;
- (4) responsible for coordinating the Company's internal and external relations;
- (5) drafting the annual development plans, operation policy and annual business plan of the Company;
- (6) drafting the basic management systems of the Company;
- (7) drafting specific rules and regulations of the Company;
- (8) coordinate the operation of each department of the Company;
- (9) review and approve all budgeted expenses and expenditures of the Company;
- (10) formulate the salary, welfare, rewards and punishments of the Company's employees and determine the engagement and dismissal of such employees;
- (11) responsible for developing the business and staff training;
- (12) other duties as authorized by the CEO.

#### **Article 176**

The Company shall have one CFO. The CFO is elected for a term of three years and may serve consecutive terms if re-elected upon the expiration of his term. The CFO is accountable to the CEO, exercising the following duties:

- (1) being responsible for accounting calculation and preparation of the financial reports, setting up and maintaining the internal control system regarding financial statements, ensuring the truthfulness of financial information;
- (2) being responsible for financial management, including budget management, cost control, fund planning, revenue distribution and assessment of operational performance, etc;
- (3) being responsible for or taking participation in risks management and management of solvency;
- (4) taking participation in material operation management activities such as strategy planning;
- (5) reviewing and signing relevant data and reports for external disclosure, under laws, administrative rules and relevant regulatory requirements;
- (6) other duties which shall be performed pursuant to regulations of CIRC or laws.

The CFO is authorized to acquire data, documents and information as required for performing its duties, and authorized to attend any board meeting in relation to his duties.

#### **Article 177**

There shall be one chairman and five to nine vice chairmen in the executive committee, the chairman of the board of directors or the CEO shall act as the chairman of the executive committee.

### **CHAPTER 14: QUALIFICATION AND DUTIES OF THE COMPANY'S DIRECTOR, SUPERVISOR AND OTHER SENIOR MANAGEMENT**

#### **Article 178**

None of the following persons may serve as a director, supervisor, or other senior management of the Company:

- (1) persons without capacity or with limited capacity for civil acts;
- (2) 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;
- (3) persons who acted as directors, or factory managers or managers of bankrupt or liquidated companies or enterprises who bear personal liability 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;
- (4) the legal representatives of companies or enterprises that had their business licenses revoked as a result of infringing the law, and where such representatives bear personal liability therefore and three years have not lapsed following the date of revocation of such business licenses;
  - (5) persons with relatively heavy individual debts that have not been settled upon maturity;
  - (6) persons against whom a case has been established for investigation by the judicial authorities as a result of violation of the criminal law, and such case has not been closed;
  - (7) persons who may not act as leaders of enterprises by virtue of laws and administrative regulations;
  - (8) persons who are prohibited to participate in stock market by the CSRC, and such prohibition period has not expired;
  - (9) non-natural persons; and
  - (10) persons ruled by a relevant organization in charge to have violated securities-related regulations, where such violation involved fraudulent or dishonest acts and five years have not lapsed following the date of the ruling.

Elections, appointments or employment of directors, supervisors or senior management in violation of this Article shall be invalid. In the event that the circumstances as stipulated in this Article arise during the term of appointment of directors, supervisors or senior management, the Company shall dismiss the appointment.

#### **Article 179**

The validity of an act of a director or other senior management of the Company on behalf of the Company towards a bona fide third party shall not be affected by any irregularity in his current position, election or qualifications.

#### **Article 180**

Persons who take up positions other than directorship in the controlling shareholders and de facto controllers of the Company shall not serve as senior management of the Company.

#### **Article 181**

In addition to obligations imposed by laws, administrative regulations or listing rules of the securities exchange(s) on which shares of the Company are listed, the Company's directors, supervisors and other senior management shall owe the

following obligations to each shareholder in the exercise of the functions and powers granted to them by the Company:

- (1) not to cause the Company to act beyond the scope of business as stipulated in its business license;
- (2) to act honestly in the best interests of the Company;
- (3) not to deprive the Company of its property in any way, including (but not limited to) any opportunities that are favorable to the Company; and
- (4) not to deprive shareholders of their individual rights or interests, including (but not limited to) rights to distributions and voting rights, but not including the restructuring of the Company submitted to and adopted by the shareholders' general meeting in accordance with these Articles of Association.

### **Article 182**

The Company's directors, supervisors and other senior management shall have an obligation, in the exercise of their rights or discharge of their obligations, to perform their due acts with care, diligence and skill as a reasonable and prudent person shall do under similar circumstances.

### **Article 183**

Unless provided by these Articles of Association or where authority has been granted by the board of directors, a director shall not act on behalf of Company or the board of directors in his individual name. In the event that a reasonable third party will consider the director to be acting on behalf of the Company or the board of directors, the director shall declare his position and identity in advance.

### **Article 184**

The Company's directors, supervisors and other senior management shall, in the exercise of their duties, abide by the principles of honesty and creditability and shall not place themselves in a position where there is a possible conflict between their personal interests and their duties. This principle shall include (but not limited to) the fulfillment of the following obligations:

- (1) to act honestly in the best interests of the Company;
- (2) to exercise powers within the scope of their functions and powers and not to act beyond such powers;
- (3) to personally exercise the discretion vested in him, not to allow himself to be manipulated by another person and, not to delegate the exercise of his discretion to another party unless permitted by laws and administrative regulations or with the consent of the shareholders' general meeting that has been informed of the situation;

- (4) to treat shareholders of the same class equally and to be impartial to shareholders of different classes;
- (5) not to conclude a contract or enter into a transaction or arrangement with the Company except as otherwise provided in these Articles of Association or with the consent of the shareholders' general meeting that has been informed of the situation;
- (6) not to use Company property for his own benefit in any way without the consent of the shareholders' general meeting that has been informed of the situation;
- (7) not to use his functions and powers as a means for accepting bribes or other forms of illegal income, and not to illegally appropriate Company assets in any way, including (but not limited to) any opportunities that are favorable to the Company;
- (8) not to accept commissions in connection with Company transactions without the consent of the shareholders' general meeting that has been informed;
- (9) to abide by these Articles of Association of the Company, perform his duties faithfully, protect the interests of the Company and not to seek personal gain with his position, functions and powers in the Company;
- (10) not to compete with the Company in any way without the consent of the shareholders' general meeting that has been informed;
- (11) not to embezzle Company funds or lend Company funds to others, not to deposit Company assets in accounts opened in his own or in another's name, and not to use Company assets as security for the debts of the Company's shareholders or other personal debts; and
- (12) not to disclose confidential information relating to the Company that was acquired by him during his office without the consent of the shareholders' general meeting that has been informed, and not to use such information except in the interests of the Company; however, such information may be disclosed to the court or other government authorities if:
  - (i) required by law;
  - (ii) required in the public interest; or
  - (iii) required in the own interest of such director, supervisor or other senior management of the Company.

## **Article 185**

A director, a supervisor or other senior management of the Company may not incite the following persons or organizations ("connected persons") to carry out matters that a director, supervisor or other senior management may not themselves do:

- (1) the spouse or minor child of a director, supervisor or other senior management of the Company;
- (2) the trustee of a director, supervisor or other senior management of the Company or of any person referred in item (1) hereof;
- (3) the partner of a director, supervisor, manager, deputy manager or other senior management of the Company or of any person referred in items (1) and (2) hereof;
- (4) the Company over which a director, supervisor or other senior management of the Company, alone or jointly with any person referred to in items (1), (2) and (3) hereof or any other director, supervisor or other senior management of the Company, has actual control;
- (5) a director, a supervisor or other senior management of a company being controlled as referred to in item (4) hereof; and
- (6) the “associates” (as defined by the Stock Exchange Listing Rules from time to time) of a director, a supervisor or member of senior management of the Company.

#### **Article 186**

The obligation of honesty and credibility of the Company’s directors, supervisors, CEO and other senior management does not necessarily cease with the termination of their office. Their confidentiality obligation in relation to the Company’s trade secrets shall continue after the termination of their office. The term for which other obligations shall continue shall be decided upon in accordance with the principle of fairness, depending on the time lapse between the termination and the occurrence of the matter as well as the circumstances and conditions under which the relationship with the Company terminated.

#### **Article 187**

A director, supervisor or other senior management of the Company may be relieved from liability for a specific breach of obligations by the shareholders’ general meeting that has been informed of the situation, except in circumstances as specified in Article 66 hereof.

#### **Article 188**

If a director, a supervisor or other senior management of the Company has directly or indirectly vested a material interest in a contract, transaction or arrangement concluded or planned by the Company (except his employment contract with the Company), he shall disclose the nature and extent of his interest to the board of directors at the earliest opportunity, whether or not the matter is normally subject to the approval of the board of directors.

Unless the interested director, supervisor or other senior management of the Company has disclosed such interest to the board of directors as required under the first paragraph hereof and the matter has been approved by the board of directors at a meeting in which he was not counted in the quorum and had refrained from voting, the Company shall have the right to void the contract, transaction or arrangement, except where the other party is a bona fide party acting without knowledge of the breach of obligation by the director, supervisor or other senior management concerned.

A director, a supervisor or other senior management of the Company shall be deemed to have an interest in any contract, transaction or arrangement in which a connected person of that director, supervisor or other senior management has an interest.

#### **Article 189**

If a director, a supervisor or other senior management of the Company gives a written notice to the board of directors before the conclusion of the contract transaction or arrangement is first considered by the Company, stating that due to the contents as stipulated in the notice, he has an interest in the contract, transaction or arrangement that may subsequently be made by the Company, such director, supervisor, CEO or other senior management of the Company shall be deemed for the purposes of the preceding Articles of this Chapter to have declared his interest, insofar as attributable to the scope stated in the notice.

#### **Article 190**

If a director fails to attend in person or appoint another director to attend the meeting of the board of directors twice consecutively, he shall be deemed as unable to perform his duties, and the meeting of the board of directors shall make a suggestion to the shareholders' general meeting for the director to be replaced.

A director may submit his resignation before his term of appointment expires. A director planning to resign shall submit a written resignation to the board of directors. The board of directors shall disclose the relevant circumstances within two days.

Where a director's resignation results in the number of directors falling below the minimum number prescribed by law, the outgoing director shall continue to discharge his duties as a director in accordance with laws, administrative regulations and these Articles of Association until a new director is appointed in his place.

The remainder of the board of directors shall convene an extraordinary shareholder's general meeting as soon as possible, and elect another director to fill the vacancy resulting from such resignation. Prior to the passing of a resolution for electing a new director, the power of the resigned director and the remainder of the board of directors shall be reasonably restricted.

Save as provided in the previous paragraph, a director's resignation shall be effective when the letter of resignation has been delivered to the board of directors.

A director whose term of appointment has not yet expired shall bear the liability for

the damages caused by demission at his own discretion.

#### **Article 191**

Supervisors shall comply with laws, administrative regulations and these Articles of Association and shall fulfill his supervisory duties diligently and shall not take advantage of his position to receive any bribe or illegal income, and shall not misappropriate the assets of the Company.

#### **Article 192**

Where a supervisor fails to attend the Committee meetings in person twice consecutively and does not appoint another supervisor to attend the meetings on his behalf, the supervisor will be deemed as failing to perform his duties and the shareholders' general meeting or the employees' representative meeting shall remove and replace the supervisor.

#### **Article 193**

A supervisor may submit his resignation before the expiration of his term, and the provisions of these Articles of Association relevant to resignation of directors shall also apply to supervisors.

#### **Article 194**

Where the term of appointment of supervisors has expired and no new appointments are made in time resulting in the number of supervisors falling below the prescribed number, the outgoing supervisors shall continue to discharge their duties in accordance with the laws, administrative regulations and these Articles of Association until appointments are made.

#### **Article 195**

The Company may not in any manner pay tax on behalf of its directors, supervisors, and other senior management.

#### **Article 196**

To the extent permitted by applicable laws and regulations, the Company may:

- (1) purchase and maintain insurance against any liability for the directors of the Company;
- (2) the Company shall, under following circumstances, provide compensation using the Company's property, for liabilities resulting from self-defence in civil or criminal litigation arising from a director's acts or omissions made in his capacity as director or a director being charged for acts or omissions made in his capacity as director, unless the director violates the acts or omissions set forth in Article 61 or Article 184 of these Articles of Association, or the director's conducts involve a gross breach of duty,

improper or fraudulent acts:

- (i) judgments of the relevant litigation are in favor of the director;
- (ii) the director is adjudged to be innocent in the judgments of relevant litigations; or
- (iii) if there is any application for exemption of act or omission herein which is pursuant to law and has been granted by the court.

#### **Article 197**

The Company may not directly or indirectly provide a loan or loan security to its directors, supervisors or other senior management, those of its parent company, or connected persons of the above-mentioned persons.

The preceding paragraph shall not apply to the following circumstances:

- (1) The provision of a loan or loan security by the Company to its subsidiary;
- (2) The provision of a loan or loan security or other funds by the Company to a director, a supervisor or other senior management of the Company under an employment contract approved by the shareholders' general meeting, so as to enable him to pay the expenses incurred for a purpose in relation to the Company or for the performance of his Company duties; and
- (3) The provision of a loan or loan security by the Company to a relevant director, a supervisor or other senior management of the Company or to a connected person thereof on normal commercial terms, if the ordinary business scope of the Company includes the lending of money or the provision of loan security.

#### **Article 198**

A loan provided by the Company in violation of the preceding Article shall be immediately repayable by the recipient of the loan, regardless of the terms of the loan.

#### **Article 199**

The Company may not be forced to perform a loan security provided by the Company in violation of the first paragraph of Article 197, except:

- (1) when the loan is provided to a connected person of a director, a supervisor, the CEO or other senior management of the Company or its parent company, the loan provider is not aware of the circumstances; and
- (2) the collateral provided by the Company has been lawfully sold by the loan provider to a bona fide purchaser.

#### **Article 200**

For the purposes of the preceding Articles of this chapter, the “security” shall include an act whereby a guarantor assumes liability or provides property to guarantee or secure the performance of obligations by an obligor.

#### **Article 201**

If a director, a supervisor or other senior management of the Company breaches his obligations to the Company, the Company shall, in addition to any rights and remedies available under laws and administrative regulations, have a right to:

- (1) require the relevant director, supervisor or other senior management to compensate for the losses sustained by the Company as a consequence of his dereliction of duty;
- (2) rescind any contract or transaction concluded by the Company with the relevant director, supervisor or other senior management and any contract or transaction with a third party where such third party is aware or shall be aware that the director, supervisor or other senior management representing the Company was in breach of his obligations to the Company;
- (3) require the relevant director, supervisor or other senior management to surrender the gains derived from the breach of his obligations;
- (4) recover any funds received by the relevant director, supervisor or other senior management that shall have been received by the Company, including (but not limited to) commissions; and
- (5) require the relevant director, supervisor or other senior management to return any interest accrued or could have accrued on funds which should have been paid to the Company.

#### **Article 202**

The Company shall enter into a written contract with each director and supervisor of the Company concerning his emoluments. Such contracts shall be approved by the shareholders’ general meeting before it is entered into. The above-mentioned emoluments shall include:

- (1) emoluments in respect of his service as a director, supervisor or senior management of the Company;
- (2) emoluments in respect of his service as a director, supervisor or senior management of a subsidiary of the Company;
- (3) emoluments otherwise in connection with the management of the Company or any subsidiary thereof; and
- (4) funds as compensation for loss of office or retirement for the aforementioned directors and supervisors.

A director or supervisor may not sue the Company for benefits due to him on the basis of the above-mentioned matters, except under a contract as mentioned above.

### **Article 203**

The Company shall specify in the contract concluded with a director or supervisor of the Company concerning his emoluments that in the event of a takeover of the Company, a director or supervisor of the Company shall, subject to prior approval of the shareholders' general meeting, have the right to receive compensation or other funds obtainable for loss of office or retirement.

For the purposes of the preceding paragraph, the term "a takeover of the Company" shall refer to any of the following circumstances:

- (1) Anyone making a general offer to all the shareholders; or
- (2) Anyone making a general offer with the purpose of making offeror a controlling shareholder as defined in Article 67 hereof.

If the relevant director or supervisor fails to comply with this Article, any fund received by him shall belong to those persons who have sold their shares as a result of their acceptance of the above-mentioned offer, and the expenses incurred in the distribution of such funds on a proportional basis shall be borne by the relevant director or supervisor and may not be paid out of such fund.

## **CHAPTER 15: FINANCIAL AND ACCOUNTING SYSTEMS, DISTRIBUTION AND AUDITING OF PROFITS**

### **Article 204**

The Company shall formulate its own financial and accounting systems in accordance with Insurance laws and regulations, relevant laws, administrative regulations and PRC accounting standards formulated by the State Council's department in charge of finance.

### **Article 205**

The Company's fiscal year starts on January 1 and ends on December 31.

### **Article 206**

The Company shall within 4 months from the end of each financial year submit and report its financial account report to the CSRC and the Stock Exchange, and shall submit and report its interim financial account report to appointed authorities of the CSRC and the Stock Exchange within 2 months from the end of the first 6 months of each financial year, and shall submit and report quarterly financial account reports to the appointed authorities of the CSRC and the Stock Exchange within one month from the end of the first 3 months and 9 months of each financial year respectively.

The above financial reports shall be prepared according to the regulations of relevant laws, administrative and departmental regulations.

#### **Article 207**

The Company's annual financial reports shall be examined and verified according to laws.

The Company's financial reports shall be prepared in accordance with laws and regulations.

The Company's financial reports shall include the following accounting statements and schedules:

- (1) balance sheet;
- (2) profit statement;
- (3) profit distribution statement;
- (4) cash flow statement;
- (5) notes appended to financial statement.

#### **Article 208**

The board of directors of the Company shall place before the shareholders at each annual shareholders' general meeting such financial reports that the relevant laws, administrative regulations and regulatory documents promulgated by the local government and the authorities-in-charge require the Company to prepare.

#### **Article 209**

The financial reports of the Company shall be made available for inspection at the Company by shareholders twenty (20) days prior to an annual shareholders' general meeting. Each shareholder of the Company shall have the right to obtain a copy of the financial reports referred to in this chapter.

The Company shall deliver or send the said reports to each shareholder of overseas listed foreign shares by prepaid mail at the recipient's address shown in the register of shareholders no later than 21 days prior to an annual shareholders' general meeting.

#### **Article 210**

The financial statements of the Company shall be prepared not only in accordance with China's accounting standards, laws and regulations but also in accordance with international accounting standards or the accounting standards of the place(s) outside the People's Republic of China where shares of the Company are listed. If there are any major differences in the financial statements prepared in accordance with these two sets of accounting standards, such differences shall be stated in notes appended to

such financial statements. For purposes of the Company's distribution of after-tax profits in a given fiscal year, the smaller amount of after-tax profits shown in the above-mentioned two kinds of financial statement shall apply.

### **Article 211**

Interim results or financial information published or disclosed by the Company shall be prepared in accordance with PRC accounting standards, laws and regulations as well as international standards or the accounting standards of the place(s) outside the People's Republic of China where shares of the Company are listed.

### **Article 212**

The Company may not establish any other account books other than the statutory account books. The assets of the Company shall not be deposited in an account opened under any personal name.

### **Article 213**

Profits after tax shall be distributed in the following sequence:

- (1) cover losses in the previous year;
- (2) allocate 10% to statutory revenue reserve;
- (3) allocate to discretionary revenue reserve;
- (4) pay dividends to shareholders.

When the accumulated statutory revenue reserve exceeds 50 percent of the registered capital of the Company, the Company may cease to make such allocation. If the statutory revenue reserve is not sufficient to cover the losses made in the previous year, before allocation to the statutory revenue reserve is made in accordance with the previous paragraph, the profits shall be used to cover such loss. After making allocation to the statutory revenue reserve from the profits, whether to allocate to the discretionary revenue reserve is subject to the resolution at general meetings.

The profits after making up the loss and allocation to the statutory revenue reserve shall be distributed to the shareholders in accordance with their proportion of shareholdings in the Company.

If it is resolved at the general meeting to make distributions to shareholders before the loss is made up and allocation to statutory revenue reserve in violation to the previous paragraph, the shareholders shall return such distribution to the Company.

The shares held by the Company shall not participate in the profits distribution.

The Company shall attach importance to the reasonable investment return of investors in terms of its profit distribution. The profit distribution policy of the Company shall maintain its continuity and stability. The distributable profits of the Company in that

year (namely profits after tax of the Company after making up for the losses and making contributions to the reserve fund) shall in principle be distributed to shareholders in the form of cash dividend based on a certain ratio. In determining the detailed ratio of the distribution of cash dividend, the Company shall take into account its profit, cash flow, solvency and operation and business development requirements. The board of directors of the Company shall be responsible for formulating and implementing a distribution plan under the requirements of these Articles of Association.

#### **Article 214**

The revenue reserve of the Company shall be used to cover the Company's losses, expand its production and operation, or be converted to increase the Company's capital. However, the capital revenue reserve shall not be used to cover losses of the Company.

#### **Article 215**

Where a resolution of the shareholders' general meeting of the Company resolves to convert the revenue reserve into share capital, the Company shall issue new shares to the existing shareholders in proportion to their respective shareholdings. When converting the statutory revenue reserve into share capital, the balance of such revenue reserve shall not be less than 25% of the registered capital before the conversion.

#### **Article 216**

The capital common reserve fund shall include the following funds:

- (1) The premiums obtained from the issue of shares in excess of the par value; and
- (2) Other revenue required by the State Council's department in charge of finance to be included in the capital common reserve fund.

#### **Article 217**

Unless otherwise resolved at the shareholders' general meetings, the Directors may distribute interim dividends if so authorized by the shareholders' general meeting. Unless otherwise regulated by laws and regulations, the amount of interim dividend shall not be more than 50% of the distributable profit in the interim profit and loss account of the Company.

#### **Article 218**

The Company may distribute dividends in the following forms:

- (1) Cash; and/or

- (2) Shares.

### **Article 219**

After the resolution regarding distribution of profits has been approved at the general meeting of the Company, the board of directors shall within 2 months after the general meeting complete the distribution of dividends (or shares).

Where the Company makes payment of cash dividends and other amounts to the holders of domestic shares, the payment shall be calculated and declared in Renminbi and be paid in Renminbi within two months after declaration of the dividends. Where the Company makes payment of cash dividends and other amounts to the holders of foreign investment shares, the payment shall be calculated and declared in Renminbi and be paid in Renminbi within two months after declaration of the dividends.

Where the Company makes payment to holders of foreign investment shares in foreign currency, the foreign currency shall be arranged in accordance with the relevant state foreign exchange regulations. Any amount paid up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof in a dividend subsequently declared.

In relation to the power to forfeit unclaimed dividends under the third paragraph of this Article, that power shall not be exercised until six years or more after the date of declaration of the dividend.

### **Article 220**

The Company shall appoint recipient agents for holders of overseas listed foreign shares to collect on behalf of the relevant shareholders the dividends distributed and other funds payable in respect of foreign investment shares listed outside the People's Republic of China.

The recipient agents appointed by the Company shall meet the requirements of the laws of the place(s), or the relevant regulations of the securities exchange(s), where the shares are listed.

In relation to the sending of dividend warrants by post, the Company shall have the right to cease sending dividend warrants by post if such warrants have been left uncashed after having been sent twice consecutively. Such power may be exercised after the first occasion on which such a warrant is returned undelivered.

The Company has the right to take back and sell the shares of a shareholder who is untraceable under the following circumstances:

- (1) during a period of 12 years, at least three dividends in respect of the shares in question have become payable by the Company and no dividend has been claimed during that period; and
- (2) on expiry of the 12 years, the Company gives notice of its intention to sell the

shares by way of an advertisement published in the newspapers and notifies the Hong Kong Stock Exchange of such intention.

The recipient agents appointed by the Company for holders of H shares shall each be a company registered as a trust company under the Hong Kong Trustee Ordinance.

#### **Article 221**

The Company shall take out various responsibility reserve funds and risk guarantee funds in accordance with relevant regulations.

#### **Article 222**

The Company shall implement an internal audit system and employ internal auditors to perform internal audit and supervision on the financial revenue, expenditure and operating activities of the Company.

#### **Article 223**

The internal audit system and the duties of the auditors of the Company shall be implemented subject to the approval of the board of directors. The person in charge of the audit shall be responsible to and report to the board of directors.

#### **Article 224**

The Company shall perform audit on the senior management of the Company when they leave their positions.

### **CHAPTER 16: NOTICE**

#### **Article 225**

The notice of the Company may be sent out in the following manner:

- (1) delivered by hand;
- (2) delivered by post;
- (3) by announcement;
- (4) sent by facsimile;
- (5) other forms stipulated in these Articles of Association.

#### **Article 226**

The notice sent by the Company in the form of public announcement shall be deemed to have been received by all of the relevant personnel once such a public announcement has been published.

### **Article 227**

When a Company notice is served by hand, a return receipt shall be signed (or stamped) by the receiver, and the date of signature by the receiver shall be the service date; when served by mail, the service date shall be the third business day after the sending date. Where a Company notice is published by way of announcement, the service date shall be the date when the announcement was first published. Where a Company notice is served by way of facsimile, the service date shall be the date the facsimile was sent out, and shall be evidenced by the facsimile report.

### **Article 228**

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

## **CHAPTER 17: EMPLOYMENT OF ACCOUNTING FIRM**

### **Article 229**

The Company shall employ an independent accounting firm that complies with relevant state regulations to perform audit of the annual financial reports and other financial reports of the Company, verification of the net assets and provide other consultation services regarding the relevant business.

### **Article 230**

The term of employment of an accounting firm employed by the Company shall be from the end of the annual shareholders' general meeting of the Company until the end of the next annual shareholders' general meeting. Such employment can be renewed.

### **Article 231**

An accounting firm employed by the Company shall have the following rights:

- (1) The right of access at all times to the account books, records or vouchers of the Company and the right to require directors and other senior management of the Company to provide relevant information and explanations;
- (2) The right to require the Company to take all reasonable measures to obtain from its subsidiaries the information and explanations necessary for the accounting firm to perform its duties; and
- (3) The right to attend shareholders' general meetings and to receive a notice or other information concerning any meeting which any shareholder has a right to receive, and to be heard at any shareholders' meeting on any matter which relates to it as the accounting firm of the Company.

## **Article 232**

If the position of accounting firm becomes vacant, the board of directors may appoint an accounting firm to fill such vacancy before a shareholders' general meeting is held. However, if there are other accounting firms holding the position as an accounting firm of the Company while such vacancy still exists, such accounting firms may continue to act.

## **Article 233**

The shareholders' general meeting may, by means of an ordinary resolution, dismiss any accounting firm prior to the expiration of its term of employment, notwithstanding anything in the contract between the accounting firm and the Company, but without prejudice to such accounting firm's right, if any, to claim damages from the Company in respect of such dismissal.

## **Article 234**

The remuneration or method of remuneration of an accounting firm shall be decided by the shareholders' general meeting. The remuneration of an accounting firm employed by the board of directors shall be determined by the board of directors.

## **Article 235**

The employment, dismissal or refusal of the renewal of the employment of an accounting firm shall be decided by the shareholders' general meeting and reported to the CSRC for record.

Where a shareholders' general meeting is proposed to pass a resolution to appoint an accounting firm other than an incumbent accounting firm, to fill any vacancy in the office of the accounting firm, or to re-appoint an accounting firm which was appointed by the board of directors to fill a causal vacancy, or to remove an accounting firm before expiry of its term of office, the following provisions shall apply:

- (1) A copy of the appointment or removal proposal shall be sent before the notice of shareholders' general meeting is issued to the accounting firm proposed to be appointed or proposing to leave its post or to the accounting firm which has left its post in the relevant fiscal year. References to "leaving" herein include leaving by removal, resignation and retirement.
- (2) If the accounting firm leaving its post makes representations in writing and requests the Company to give notice of such representations to the shareholders, the Company shall take the following measures unless it has received the representations too late:
  - (i) Elaborate the representations made by the accounting firm leaving its post in any notice given to shareholders for the purpose of passing such resolution; and

- (ii) Attach a copy of the representations to the notice and deliver it to the shareholders in the manner stipulated in these Articles of Association.
- (3) If the Company fails to circulate the accounting firm's representations in the manner set out in the second paragraph of this Article, such accounting firm may require the representations to be read out at the meeting and can make further complaints;
- (4) The accounting firm which has left its post shall be entitled to attend the following meetings:
  - (i) The shareholders' general meeting at which its term of office would otherwise have expired;
  - (ii) The shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal;
  - (iii) The shareholders' general meeting, which is convened as a result of its voluntary resignation.

The leaving accounting firm shall have the right to receive all notices of, and other information relating to any such meeting, and to speak at any such meeting which it attends on any affair which concerns it as the former accounting firm of the Company.

### **Article 236**

When the Company dismisses or does not renew the employment of an accounting firm, it shall give a notice to the accounting firm 10 days in advance. The accounting firm shall have the right to present its views before the shareholders' general meeting. Where an accounting firm tenders its resignation, it shall inform the shareholders' general meeting of whether there is any irregularity in the Company.

An accounting firm may resign from its office by way of depositing at the Company's domicile a resignation notice in writing 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 contain the following statements:

- (1) A statement to the effect that there are no circumstances connected with its resignation which it considers necessary to be explained to shareholders or creditors of the Company; or
- (2) A statement of any such circumstances as it considers necessary to be explained.

Where a notice is deposited in accordance with the preceding paragraph, the Company shall send a copy of the notice to the relevant authorities within 14 days. If the notice contains a statement referred to in item (2) of the preceding paragraph, 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 at the address registered in the register of shareholders.

Where the accounting firm's notice of resignation contains a statement of any circumstances it considers necessary to be explained, it may require the board of directors to convene an extraordinary shareholders' general meeting for the purpose explaining the circumstances connected with its resignation.

## **CHAPTER 18: MERGER AND DIVISION OF THE COMPANY**

### **Article 237**

The Company can undergo mergers and divisions according to the law.

### **Article 238**

The merger or division of the Company shall require a proposal by the board of directors. After such proposal has been adopted in accordance with the procedures specified in these Articles of Association, relevant examination and approval procedures shall be carried out according to law. Shareholders opposing such proposal on the merger or division of the Company shall have the right to require the Company or shareholders that are in favor of such proposal to purchase their shares at a fair price. The contents of resolutions approving the merger or division of the Company shall be compiled in a special document for inspection by shareholders.

Holders of foreign investment shares listed in Hong Kong shall be served copies of the above-mentioned document by mail to the address registered in the register of shareholders.

### **Article 239**

Merger of the Company may take the form of merger by absorption and merger by new establishment.

In the case of a merger, parties to the merger shall execute a merger agreement, and shall prepare the balance sheets and a schedule of assets. The Company shall notify the Company's creditors within a period of 10 days on which the resolution to proceed with the merger is passed, publish at least three announcements on the merger in newspaper within 30 days of that date.

Upon completion of the merger, the disposal of the assets, the rights, the obligations of each part, shall be regulated clearly through signing a contract.

After the merger, the rights and the obligations of each part shall be assumed by the company in existence or the newly established company after the merger.

### **Article 240**

If the Company is to be divided, its property shall be divided accordingly.

For the division of a company, the parties to the division shall enter into a division agreement and prepare balance sheets and an assets list. The Company shall notify its creditors within a period of 10 days from the date on which the resolution to proceed with the division is passed and publish at least three announcements on the division in newspaper within 30 days of that date.

Debts owed by the Company prior to the division shall be assumed by the companies in existence after the division in relation to the relevant responsibility, except different provisions in the agreement entered into between creditors and the Company prior to the division.

#### **Article 241**

Creditors shall, within a period of 30 days commencing from the date of receiving the written notice or within a period of 45 days commencing from the date of the first announcement for those who did not receive a written notice, have the right to claim full repayment or provision of a corresponding guarantee from the Company. The Company shall not proceed with the merger or the division if it fails to repay its debts in full or to provide corresponding guarantee.

#### **Article 242**

The board of directors shall take necessary measures to protect the lawful rights and interests of the shareholders that oppose the proposals for the merger or division of the Company.

#### **Article 243**

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

### **CHAPTER 19: DISSOLUTION AND LIQUIDATION OF THE COMPANY**

#### **Article 244**

The Company shall be dissolved and liquidated according to law if:

- (1) the shareholders' general meeting resolves to dissolve the Company;
- (2) dissolution is necessary as a result of the merger or division of the Company;
- (3) the Company is declared bankrupt according to law because it is unable to pay its debts as they fall due;

- (4) the business license of the Company is lawfully dismissed or countermanded or if the Company is ordered to be closed down; or
- (5) there is severe difficulty in the operation and management of the Company, and the continued existence of the Company will have material prejudice to the interests of the shareholders and there is no other way to resolve, shareholders who hold an aggregate of over 10% of the whole voting rights can seek the People's Court to dissolve the Company.

The effective of the dissolution shall be subject to the approval by CIRC.

#### **Article 245**

Where the Company is to be dissolved pursuant to sub-paragraphs (1), (3), (4) or (5) of the preceding Article, it shall establish a liquidation committee within 15 days. The members of such liquidation committee shall be determined by the shareholders' general meeting by way of an ordinary resolution. If the liquidation committee is not established within the prescribed period, the creditors can apply for the People's Court to appoint the relevant officers to establish the liquidation committee to carry out the liquidation.

Where the Company is to be dissolved pursuant to sub-paragraph (2) of the preceding Article, liquidation shall be carried out by the parties to the merger or division in accordance to the agreements reached at the time of merger or division.

#### **Article 246**

If the board of directors decides that the Company shall be liquidated (except for liquidation as a result of company's declaration of bankruptcy), the notice of the shareholders' general meeting convened for such purpose shall include a statement to the effect that the board of directors has made full inquiry into the position of the Company and that the board holds the opinion that the Company can repay its debts in full within 12 months after the commencement of liquidation.

The functions and powers of the board of directors shall terminate immediately after the shareholders' general meeting has adopted a resolution to carry out the liquidation. The functions and powers of the CEO shall terminate immediately after the establishment of a liquidation committee.

The liquidation committee shall take instructions from the shareholders' general meeting, and make a report to the shareholders' general meeting on the committee's income and expenditure, the business of the Company and the progress of the liquidation not less than once a year. It shall make a final report to the shareholders' general meeting when the liquidation is completed.

#### **Article 247**

The liquidation committee shall notify creditors within a period of 10 days from the date of its establishment and publish at least three announcements of the liquidation in a newspaper certificated by the CIRC within 60 days.

Creditors shall, within 30 days since the date of receiving the notice, report their creditors' rights to the liquidation committee, or for creditors who do not receive the notice, within 45 days since the date of the first public notice. Where creditors do not report their creditors' rights to the liquidation committee according to schedule, the rights shall be deemed to have been waived by the creditors. When reporting creditors' rights, the creditor shall provide an explanation of matters relevant to the creditor's rights and shall provide evidentiary materials. The liquidation committee shall register the creditors' rights.

In the course of reporting creditors' rights, the liquidation committee shall not repay the creditors.

#### **Article 248**

The liquidation committee shall exercise the following functions and powers during liquidation:

- (1) to thoroughly examine the assets of the Company and prepare a balance sheet and property list respectively;
- (2) to notify creditors by a notice or public announcement;
- (3) to deal with and liquidate relevant unfinished businesses of the Company;
- (4) to repay all outstanding tax payment and the tax payment which arise in the course of the liquidation process;
- (5) to clear up claims and debts;
- (6) to deal with the remaining assets after full payment of the Company's debts; and
- (7) to participate in civil litigation on behalf of the Company.

#### **Article 249**

After the liquidation committee has thoroughly examined the Company's assets and prepared a balance sheet and assets list, it shall formulate a liquidation plan and submit such plan to the shareholders' general meeting or relevant authorities in charge for confirmation.

Payment of debts out of Company property shall be made in following sequence:

- (1) liquidation expenses;
- (2) wages owed to employees of the Company, labour insurance fees and statutory compensation;
- (3) outstanding taxes;

(4) discharging debts of the Company.

Company assets remaining after full payment in accordance with the provisions of the preceding paragraph shall be distributed to the Company's shareholders according to the category and proportion of their shareholding. Distributions shall not be made to the shareholders before the distribution of the Company's assets in accordance with the above paragraph have been made.

During liquidation, the Company continues to exist but may not engage in business activities which are irrelevant to the liquidation.

#### **Article 250**

If the Company is liquidated due to dissolution and the liquidation committee, having thoroughly examined the Company's property and prepared a balance sheet and property list, discovers that the Company's property is insufficient to pay its debts in full, it shall immediately apply to the People's Court for a declaration of bankruptcy.

After the People's Court has ruled for the Company to declare itself bankrupt, the Company's liquidation committee shall refer the liquidation matters to the People's Court.

#### **Article 251**

Following the completion of liquidation, the liquidation committee shall formulate a liquidation report, a revenue and expenditure statement and financial account books in respect of the liquidation period and, after verification thereof by an accountant registered in the PRC, submit the same to the shareholders' general meeting or the relevant authorities in charge for confirmation.

Within thirty (30) days from the date of confirmation of the above-mentioned documents by the shareholders' general meeting or the relevant authorities in charge, the liquidation committee shall deliver the same to the Company registry, apply for cancellation of the Company's registration and publicly announce the Company's termination.

#### **Article 252**

Members of the liquidation committee shall faithfully perform their liquidating duties and conduct their liquidation obligations in accordance with the law, and shall not be permitted to exploit their powers to accept bribes or other illicit gains, nor shall they be permitted to seize the Company's property.

Members of the liquidation committee shall bear the liability for damages suffered by the Company or creditors due to their intentional or grossly negligent conducts.

#### **Article 253**

If the Company is lawfully declared bankrupt, liquidation shall be implemented

according to the relevant laws on enterprise bankruptcy.

## **CHAPTER 20: PROCEDURES FOR AMENDING THE COMPANY'S ARTICLES OF ASSOCIATION**

### **Article 254**

The Company may amend these Articles of Association in accordance with laws, administrative regulations and these Articles of Association.

### **Article 255**

The Company shall amend these Articles of Association if:

- (1) there is an amendment of the Company Law of the PRC or other relevant laws or administrative regulations, and items stipulated in these Articles of Association are inconsistent with the amended laws or administrative regulations;
- (2) there is a change of the circumstances of the Company, and thereby is not in consistent with the items stipulated in these Articles of Association;
- (3) the shareholders' general meeting has passed a resolution to amend the Company's Articles of Association.

### **Article 256**

The resolution passed by the shareholders' general meeting to amend the Company's Articles of Association shall be submitted to domestic company management authorities for examination and approval. Where amendments to these Articles of Association involve the "Essential Clauses in Article of Association of Companies Listed Overseas" (hereinafter referred to as "Essential Clauses"), it shall, in order to be valid, be subject to approval of CIRC. Where the amendment relates to matters of company registration, the registration shall be modified according to law.

### **Article 257**

The board of directors shall amend these Articles of Association in accordance with the resolutions of the shareholders' general meeting to amend these Articles of Association and the approval opinion issued by the relevant governing authority.

### **Article 258**

The amendment of these Articles of Association is considered information that is required to be disclosed according to the law and administrative regulations, and shall be publicly announced in accordance with the stipulations.

## **CHAPTER 21: SETTLEMENT OF DISPUTES**

### **Article 259**

The Company shall abide by the following principles for dispute resolution:

- (1) If any dispute or claim arises between a holder of overseas listed foreign shares and the Company, or a director, a supervisor or other senior management of the Company, based on the relevant disputes or claims in relation to the rights and obligations relating to the Company's affairs and as regulated by these Articles of Association, the Company Law or other relevant laws, administrative regulations, the parties concerned shall submit the dispute or claim for arbitration.
- (2) When a dispute or claim as described above is submitted for arbitration, such dispute or claim shall be in its entirety, and all persons being the Company or shareholders, directors, supervisors or other senior management of the Company that have a cause of action due to the same facts or whose participation is necessary for the settlement of such dispute or claim shall abide by the arbitration. Disputes concerning the definition of shareholders and the register of shareholders shall not be required to be settled by means of arbitration.
- (3) A dispute or claim submitted for arbitration may be arbitrated, at the option of the arbitration applicant, by either the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or the Hong Kong International Arbitration Center in accordance with its securities arbitration rules. After the arbitration applicant has submitted the dispute or claim for arbitration, the other party shall participate in the arbitration in the arbitration institution selected by the applicant.
- (4) If the arbitration applicant opts for arbitration by the Hong Kong International Arbitration Center, either party may request for the arbitration to be conducted in Shenzhen in accordance with the securities arbitration rules of the Hong Kong International Arbitration Center.
- (5) Unless otherwise provided by laws or administrative regulations, the laws of the People's Republic of China shall apply to the settlement by means of arbitration of disputes or claims referred to in item (1).
- (6) The award of the arbitration institution shall be final and binding upon each party.

## **CHAPTER 22: SUPPLEMENTARY**

### **Article 260**

In these Articles of Association, association means the relationship between the controlling shareholders, the de facto controllers, directors, supervisors, senior

management and the enterprises which are directly or indirectly controlled by the same, and other relationships which may cause a transfer of benefits in the Company.

#### **Article 261**

In these Articles of Association, unless otherwise defined, “Stock Exchange” means The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange.

In these Articles of Association, “CSRC”, means the China Securities Regulatory Commission and “CIRC” means the China Insurance Regulatory Commission.

#### **Article 262**

The board of directors shall be responsible for interpretation of these Articles of Association.

#### **Article 263**

The term “accounting firm” as used in these Articles of Associations shall have the same meaning as “auditor”.

#### **Article 264**

Terms of “not less than”, “within”, “not more than” used in these Articles of Association shall include the number itself; while the terms “under”, “beyond” and “above” used shall not include the number itself.

#### **Article 265**

These Articles of Association are written in Chinese. If there is any discrepancy between this version and another version in different language or in other forms, the Chinese version which has acquired the latest approval by and registered with the SAIC shall prevail.

#### **Article 266**

The appendix to these Articles of Association shall include the Procedural Rules for Shareholders’ General Meetings, the Procedural Rules for Board Meetings and the Procedural Rules for Supervisory Committee Meetings.