



# **CHINA COMMUNICATIONS CONSTRUCTION COMPANY LIMITED**

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

## **ARTICLES OF ASSOCIATION**

Approved at the EGM of the Company on 8 October 2006 with  
the first amendments made at the AGM of 2008 of the Company on 18 June 2009,  
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the fifth amendments made at the Second EGM of 2017 of the Company on 22 November 2017,  
the sixth amendments made at the AGM of 2019 of the Company on 9 June 2020,  
the seventh amendments made at the AGM of 2020 of the Company on 10 June 2021,  
the eighth amendments made at the Third EGM of 2023 of the Company on 30 June 2023,  
and the ninth amendments made at the AGM of 2024 of the Company on 16 June 2025, respectively

## CONTENTS

<b>Chapter 1</b>	<b>General Provisions</b> . . . . .	4
<b>Chapter 2</b>	<b>Objectives and Scope of Business</b> . . . . .	6
<b>Chapter 3</b>	<b>Shares</b> . . . . .	8
	Section 1 Issuance of Shares . . . . .	8
	Section 2 Change in and Buyback of Shares . . . . .	9
	Section 3 Transfer of Shares . . . . .	11
<b>Chapter 4</b>	<b>Shareholders and the General Meeting</b> . . . . .	12
	Section 1 General Provisions for Shareholders . . . . .	12
	Section 2 The Controlling Shareholder and De Facto Controller . . . .	18
	Section 3 General Provisions for General Meetings. . . . .	20
	Section 4 Convening of the General Meetings. . . . .	23
	Section 5 Proposals and Notices of General Meetings . . . . .	25
	Section 6 Convening of General Meetings. . . . .	27
	Section 7 Voting and Resolutions at General Meetings . . . . .	31
<b>Chapter 5</b>	<b>The Party Committee</b> . . . . .	36
<b>Chapter 6</b>	<b>Directors and the Board</b> . . . . .	38
	Section 1 General Provisions in Relation to Directors . . . . .	38
	Section 2 The Board . . . . .	42
	Section 3 Independent Directors . . . . .	49
	Section 4 Special Committees under the Board . . . . .	54

<b>Chapter 7</b>	<b>Senior Management Members</b> . . . . .	57
<b>Chapter 8</b>	<b>Financial Accounting System and Distribution of Profits</b> . . . . .	62
	Section 1 Financial Accounting System. . . . .	62
	Section 2 Internal Audit . . . . .	65
	Section 3 Engagement of Accounting Firms . . . . .	66
<b>Chapter 9</b>	<b>Notices and Announcements</b> . . . . .	67
	Section 1 Notices . . . . .	67
	Section 2 Announcements . . . . .	68
<b>Chapter 10</b>	<b>Merger, Division, Capital Increase, Capital Reduction, Dissolution and Liquidation</b> . . . . .	68
	Section 1 Mergers, Divisions Capital Increase, and Capital Reduction . . . . .	68
	Section 2 Dissolution and Liquidation. . . . .	71
<b>Chapter 11</b>	<b>Amendments to Articles of Association</b> . . . . .	74
<b>Chapter 12</b>	<b>Special Requirements for Class Shareholders</b> . . . . .	75
	Section 1 General Requirements for Class Shareholders . . . . .	75
	Section 2 Special Requirements for Preference Shares . . . . .	77
<b>Chapter 13</b>	<b>Supplemental Provisions</b> . . . . .	82

## Chapter 1 General Provisions

**Article 1** These Articles of Association are formulated 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 (hereinafter referred to as the “**Securities Law**”), the Guidelines on Articles of Association of Listed Companies (hereinafter referred to as the “**Guidelines on Articles**”), the Listing Rules of the Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the State Council’s Guiding Opinions on the Launching of the Pilot Scheme of Preference Shares, the Administrative Measures on the Pilot Scheme of Preference Shares, the Constitution of the Communist Party of China (the “**Party Constitution**”), Working Rules of Basic Organizations of the State-owned Enterprises of the Communist Party Committee of China (Trial) and other relevant requirements with an aim to safeguard the legal interests of China Communications Construction Company Limited (the “**Company**”), its shareholders, employees and creditors and regulate the organization and conduct of the Company.

**Article 2** The Company is a joint stock limited company incorporated in accordance with the Company Law, the Securities Law, and applicable regulations of the People’s Republic of China (which, for the purposes of these Articles of Association, does not include the Hong Kong Special Administrative Region, the Macao Special Administrative Region or Taiwan, the “**PRC**”).

The Company was established by way of promotion with sole promoter and with the approval from the PRC State Council. The promoter is China Communications Construction Group (Limited). It was registered with Beijing Municipal Administration for Market Regulation, and obtained its business license. The current unified social credit code of the Company is 91110000710934369E.

**Article 3** In 2012, the Company was approved by the CSRC to issue 1,349,735,425 RMB-denominated ordinary shares to the public for the first time, which were listed on the Shanghai Stock Exchange on 9 March 2012. In 2015, upon review by the CSRC, approval by the SASAC, and approval by the Shanghai Stock Exchange, the Company issued two batches of preference shares—90,000,000 shares and 55,000,000 shares—which were listed on the Shanghai Stock Exchange on 22 September 2015, and 6 November 2015, respectively. The Company issued 4,418,476,000 domestically listed foreign shares to foreign investors for subscription in foreign currencies, which were listed on The Stock Exchange of Hong Kong Limited on 15 December 2006.

**Article 4** Chinese name: 中國交通建設股份有限公司; English name: China Communications Construction Company Limited.

**Article 5** Company domicile: 85 De Sheng Men Wai Street, Xicheng District, Beijing, postcode: 100088.

**Article 6** The registered capital of the Company was RMB16,278,611,425.

**Article 7** The Company is a joint stock limited company that has perpetual succession.

**Article 8** The legal representative of the Company is the Chairman of the Board. The method for the appointment and change of the legal representative shall be the same as that for the Chairman of the Board as stipulated in these Articles of Association.

If a Director serving as the legal representative resigns, such resignation shall be deemed as simultaneous resignation from the position of legal representative.

In the event of the legal representative's resignation, the Company shall appoint a new legal representative within thirty (30) days from the date of resignation.

**Article 9** The legal consequences of civil activities conducted by the legal representative in the name of the Company shall be borne by the Company.

Restrictions on the authority of the legal representative set forth in these Articles of Association or by resolutions of the general meetings shall not be asserted against a bona fide counterparty.

Where the legal representative causes harm to others in the course of performing duties, the Company shall bear civil liability. After assuming such liability, the Company may, in accordance with provisions of laws or these Articles of Association, seek recourse from the legal representative if such individual was at fault.

**Article 10** Shareholders shall be liable to the Company to the extent of the shares subscribed. The Company shall be liable for its debts to the extent of all its assets.

**Article 11** From the effective date onwards, the Articles of Association shall be a legally binding document governing the Company's organization and conduct, and the rights and obligations between the Company and its Shareholders, and among the Shareholders, and shall be binding on the Company, its Shareholders, Directors and senior management. Shareholders may take legal actions against other Shareholders or the Directors and senior management of the Company; Shareholders may take legal actions against the Company and vice versa, the Company may take legal actions against the Directors and senior management pursuant to the Articles of Association.

**Article 12** The senior management in these Articles of Association refers to the President, the Vice President, Chief Financial Officer, Board secretary and other personnel of the Company as stipulated in these Articles of Association.

**Article 13** As required by the Party Constitution, the Company shall establish an organization of the Communist Party of China, in which the Party organization shall play the leadership role, providing direction, managing the overall situation and ensuring implementation. The Company shall establish the working institutions of the Party, which shall be equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party organization.

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

**Article 14** The Company's business objectives are to, adhering to the corporate mission of "trustworthy services to clients, quality returns to Shareholders and consistent out-performance", dedicate itself to the transportation construction business in China and the world, staying market-oriented, with talents as support, technology development and innovative management as vehicles and corporate culture building as philosophy of growth, to optimize industrial structure, adjust product portfolio and improve its core competitiveness, so as to make the stock company a globally competitive world-class enterprise with technology, management and quality.

**Article 15** As registered in accordance with the laws, the business scope of the Company covers:

Permitted business: secondment of labour abroad to implement offshore works.

General businesses:

- (1) The general contracting of the construction projects of ports, seaways, highways and bridges;
- (2) Technological research and consultation;
- (3) Project design, surveying, design, construction, supervision as well as the procurement, supply and installation of the relevant integrated equipment and materials;
- (4) General contracting of the construction projects of industrial and civil construction, railways, metallurgy, petrochemical, tunnels, electricity, mines, water conservancy, public utilities;
- (5) General contracting of the building of all types of specialized vessels;
- (6) Leasing and maintenance of specialized vessels and construction machinery;
- (7) Professional services in relation to towing and offshore engineering;
- (8) Technical consultation services of vessels and ancillary port equipment;
- (9) Import and export business;
- (10) International technological co-operation and communication;
- (11) Investment and management of logistics, transportation, hotels, tourism business;
- (12) Design, installation, repair and technological development of subway transportation, subway vehicles and subway equipment.

The Company may invest in other companies with limited liability and joint stock limited companies, to which the Company shall be liable to the extent of the amount of capital contribution.

The Company may change its business scope and complete relevant alteration procedures as required in light of the market conditions both at home and abroad, the development of its business and capabilities.

## **Chapter 3 Shares**

### **Section 1 Issuance of Shares**

**Article 16** The shares of the Company shall be issued in the form of shares certificates.

**Article 17** The issuance of shares by the Company shall adhere to the principles of openness, fairness and justice. Each share of the same class shall rank *pari passu* with each other. Shares of the same class issued at the same time shall have the same terms of issuance and issue price; subscriber(s) shall pay the same amount for each of shares subscribed for.

(1) Shares issued by the Company to domestic investors for subscription in RMB shall be referred to as “domestic shares”. Shares issued by the Company to foreign investors for subscription in foreign currencies shall be referred to as “foreign shares”. Foreign shares shall not be considered as shares of a class.

According to the provisions of the laws and regulations of the PRC, shareholders of domestic shares of the Company may transfer the shares to foreign investors and have the shares listed and traded overseas. The shares transferred shall comply with the regulatory procedures, provisions and requirements of the overseas securities market when listed and traded in an overseas stock exchange. The listing and trading of the transferred shares in an overseas stock exchange are not subject to the voting of a class meeting.

The transfer by the Company’s holders of domestic shares of the shares held thereby to overseas investors for listing overseas shall not be deemed as the Company’s intention to alter or abolish the rights of class shareholders.

(2) The Company may issue preference shares in accordance with the relevant regulations. Preference shares refer to the other class of shares governed separately under the Company Law as compared to the ordinary shares governed by the general provisions. Preference shareholders shall participate in the distribution of profits and residual assets of the Company in priority to ordinary shareholders, but their rights in respect of participating in decision making and management of the Company are restricted.

Please see the provisions in the Chapter 12 of the Articles of Association for the number of shares of preference shares and rights and obligations thereunder.

**Article 18** The par-value shares issued by the Company shall be denominated in Renminbi.



**Article 19** All of the domestic-listed shares issued by the Company are deposited with China Securities Depository and Clearing Corporation Limited.

The foreign shares (H shares) of the Company are deposited with the CCASS Depository under Hong Kong Securities Clearing Company Limited or registered in the names of shareholders as beneficiary owners.

**Article 20** The sole promoter of the Company is China Communications Construction Group (Limited), which has subscribed for 10,800,000,000 ordinary shares in the form of all the assets related to the Company's main business held by the promoter, with the capital contribution being made in 2006. The total number of shares issued upon the establishment of the Company was 10,800,000,000, with the par-value shares of RMB1 per share.

**Article 21** The number of issued shares of the Company is 16,278,611,425 and the share capital structure of the Company is: 16,278,611,425 ordinary shares and 0 shares of other classes.

**Article 22** The Company or its subsidiaries (including its affiliates) shall not give any financial assistance, in the form of grant, advance, guarantee or loans, for other persons to obtain the shares of the Company or its parent company, except for the implementation of the employee stock ownership plan of the Company.

In the interests of the Company, by a resolution of the Board of Directors, the Company may provide financial assistance for other persons to obtain the shares of the Company or its parent company, provided that the total accumulative amount of the financial assistance shall not exceed ten percent (10%) of the total issued share capital.

## **Section 2 Change in and Buyback of Shares**

**Article 23** The Company may increase its capital by the following methods in line with the needs for operations and development according to laws and regulations after resolutions are made at a general meeting:

- (1) issuance of shares to non-specific targets;
- (2) issuance of shares to specific targets;
- (3) distribution of bonus shares to existing shareholders;

- (4) increase in capital by transfers from reserves;
- (5) other methods approved by laws, administrative regulations and relevant regulators.

**Article 24** The Company may reduce its registered capital. The reduction of the Company's registered capital shall be carried out in accordance with the Company Law and other relevant regulations as well as the procedures prescribed herein.

**Article 25** The Company shall not acquire its own shares, unless otherwise under the circumstances:

- (1) it reduces its registered capital;
- (2) it merges with another company that holds the shares of the Company;
- (3) it uses shares for employee stock ownership plan or equity incentive;
- (4) shareholders require the Company to purchase their shares because of their objection to the resolution made at a general meeting on the merger or division of the Company;
- (5) it uses shares to convert corporate bonds issued by the Company that are convertible into stocks;
- (6) it is necessary for the Company to maintain its value and shareholders' interests.

**Article 26** If the Company is to purchase its own shares, it may proceed by means of public centralized trading or in other manners recognized by laws and regulations, and securities regulatory authorities of the place where the Company is listed.

Where the Company repurchases its shares under the circumstances set out in clauses (3), (5) and (6) under Article 25 hereof, it shall be conducted through open centralized trading.

**Article 27** In the event that the Company purchases its shares due to the circumstances specified in clauses (1) and (2) of Article 25 hereof, a resolution thereon shall be made at a general meeting. Where the Company purchases its shares under the circumstances set out in clauses (3), (5) and (6) of Article 25 hereof, it may be resolved by more than two-thirds (2/3) of Directors present at the Board meeting.

In the event that the Company purchases its shares in accordance with Article 25 of the Articles of Association due to the reason stated in (1), the shares shall be cancelled within ten (10) days from the date of purchase; in the event that it is due to the reason stated in (2) or (4), the shares shall be transferred or cancelled within six (6) months; in the event that it is due to the reason stated in (3), (5) and (6) , the total number of shares held by the Company shall not exceed ten percent (10%) of the total issued shares of the Company, and shall be transferred or cancelled within three (3) years.

In the event that the laws, regulations, and relevant rules of the securities competent authorities and stock exchanges where the Company's shares are listed provide for the above matter otherwise, such provisions shall be followed.

### **Section 3   Transfer of Shares**

**Article 28**   Shares in the Company shall be transferred according to law.

**Article 29**   The Company shall not accept the Company's shares as the subject of pledges.

**Article 30**   The shares of the Company issued before the initial public offering shall not be transferred within one (1) year since the listing and trading of the Company's shares on the stock exchange(s).

The Directors and senior management of the Company shall declare to the Company their holdings in the Company's shares (including preference shares) and inform the same if there are any changes in their holdings subsequently. Shares being transferred every year during their terms of office determined at the time of their appointment must not exceed twenty-five percent (25%) of their holdings in the Company's shares in the same class. No transfer of their holdings shall be made within one (1) year after the Company's ordinary shares were listed. No transfer of their holdings in the Company's shares shall be made within six months after they cease to hold their respective offices.

**Article 31**   When shareholders, Directors or senior management of the Company holding more than five percent (5%) of the shares of the Company sell their shares or other securities of equity nature within six (6) months from the acquisition of such shares, or purchase shares within six (6) months from the disposal of such shares, the Board of the Company shall repatriate any profits derived from such dealings and the profits derived shall be vested in the Company. However, securities companies holding over five percent (5%) of the ordinary shares of the Company as a result of acquiring remaining underwritten ordinary shares and other circumstances stipulated by the CSRC are not subject to the six (6) -month restriction when selling shares.

The shares or other securities of equity nature held by Directors, senior management or natural person shareholders referred to in the preceding paragraph shall include the shares or other securities of equity nature held by their spouses, parents or children, and those held through the accounts of others.

Shareholders may require the Board to comply with the requirement set out in the first clause of this Article within thirty (30) days if the Board fails to do so. In the event the Board fails to rectify the situation within the said timeline, Shareholders may file a lawsuit to the people's court in their own name for safeguarding the interests of the Company.

If the Board of the Company fails to comply with the first clause of this Article, the Directors responsible shall bear joint liability.

## **Chapter 4 Shareholders and the General Meeting**

### **Section 1 General Provisions for Shareholders**

**Article 32** The Company shall establish a register of shareholders in accordance with the evidence from the securities registration and clearing organization; the register of shareholders shall be sufficient evidence to verify that a shareholder holds shares of the Company.

Public shareholders shall be entitled to rights and undertake obligations according to the class of shares they hold; shareholders holding the same class of shares shall be entitled to equal rights and undertake the same obligations.

When two or more persons are registered as joint holders of any shares, they shall be regarded as joint owners of the underlying shares to be subject to the following terms:

- (1) the Company needs not register more than four (4) persons as joint holders of any shares;
- (2) all joint holders of any shares shall be jointly and severally liable for the payment of all amounts payable for the underlying shares. In the case of joint holders:
  1. in the event that one of the joint holders dies, only the other surviving persons among the joint holders shall be deemed by the Company as the persons with ownership of the underlying shares. However, the Board of Directors has the right to require such surviving persons to provide a death certificate as deemed appropriate by the Board of Directors for the purpose of amending the register of shareholders;

2. in respect of the joint holders of any shares, only the joint holder who stands first on the register of shareholders has the right to take over the share certificates of the underlying shares from the Company, receive notices from the Company, attend the general meetings of the Company or exercise the voting rights of the underlying shares. Any notices served to the aforesaid person shall be deemed to have been served to all joint holders of the underlying shares.

In the event that any one of the joint holders issues a receipt to the Company for the payment of any dividend, bonus or capital return to those joint holders, the receipt shall be deemed as a valid receipt issued by the joint holders to the Company.

**Article 33** When the Company convenes a general meeting, distributes dividends, commences liquidation or participates in other activities which require to confirm the identification of shareholders, the convener of the Board of Directors or the general meeting shall decide the record date. The shareholders whose names appear on the register of shareholders after the close of trading on the record date shall be entitled to relevant rights.

**Article 34** A shareholder holding ordinary shares of the Company shall be entitled to the following rights:

- (1) receive dividends and benefit distributions in other forms according to the portion of shares he holds;
- (2) make a request to call, convene, preside over and attend or appoint a proxy to attend a general meeting, and exercise the corresponding voting rights in accordance with the law;
- (3) carry out supervision of the Company's operations, and make recommendations or raise questions;
- (4) transfer, grant or pledge the shares he holds in accordance with the laws, administrative regulations and the provisions hereof;
- (5) inspect and copy the Company's Articles of Association, register of shareholders, minutes of the general meetings, resolutions of meetings of the Board of Directors, and financial and accounting reports. Shareholders who meet the prescribed conditions may inspect the Company's accounting books and accounting vouchers;
- (6) during the termination or liquidation of the Company, participate in the distribution of surplus property of the Company according to the portion of shares he holds;

- (7) those shareholders who object to a resolution made at a general meeting on the merger or division of the Company request that the Company purchase their shares;
- (8) other rights stipulated by the laws and regulations of the the locality where the Company's shares are listed or the relevant rules of the securities regulatory authorities and the stock exchange or these Articles of Association.

**Article 35** Shareholders who request to inspect and copy relevant materials of the Company shall abide by the Company Law, the Securities Law and other laws and administrative regulations.

Shareholders who request to inspect accounting books and accounting vouchers must follow the procedures below:

- (1) Qualified shareholders. Only the shareholders who either alone or jointly having been holding more than three percent (3%) of the Company's shares, for at least one hundred and eighty (180) consecutive days are eligible to apply for inspection of accounting books and accounting vouchers.
- (2) Written application. A qualified shareholder shall submit a written request to the Company at least 10 working days in advance, stating the purpose of the inspection and undertaking to comply with the Company's relevant policies, as well as committing that the information and materials provided to the Company are truthful, accurate, and complete.
- (3) Confidentiality and non-competition. Prior to inspection, the qualified shareholders shall sign a written confidentiality and non-competition agreement and provide the Company with a disclosure of their own and their close relatives' employment history and investment activities over the past three (3) years. The Company will reject inspection applications from qualified shareholders who have been employed by or invested in enterprises related to the industry of the Company's principal business ("**Related Enterprises**") within the past three (3) years. The Company reserves the right to disclose the aforementioned information of the qualified shareholders to all shareholders at its discretion.

- (4) Intermediary institutions. A qualified shareholder may engage intermediary institutions with securities-related qualifications as recognized by the Company, such as accounting firms or law firms. The intermediary institution must sign a written confidentiality agreement and provide the Company with a statement detailing its services to the Related Enterprises over the past three (3) years. The Company will reject inspection applications from intermediary institutions that have provided services to the Related Enterprises within the past three (3) years or are currently doing so. The Company reserves the right to disclose the aforementioned information of the intermediary institutions to all shareholders at its discretion.
- (5) Company review. The Company may refuse to provide access for inspection if it has reasonable grounds to believe that a shareholder's request to inspect accounting books and accounting vouchers is for improper purposes that may harm the Company's legitimate interests. In such cases, the Company shall provide a written response to the shareholder within fifteen (15) days from the date of receiving the written request, stating the reasons for refusal. The Company reserves the right to reject any inspection application from a qualified shareholder or intermediary institution that violates confidentiality or other commitments.
- (6) Inspection. A qualified shareholder shall inspect the accounting books and accounting vouchers which do not involve state secrets and trade secrets during working hours agreed upon with the Company, at a location arranged by the Company, and under the supervision of Company-assigned personnel. The qualified shareholder is permitted only to inspect the materials and shall not employ any means of reproduction, including photocopying, photographing, video recording, or any other method.
- (7) Inspection system of the shareholders of the Company. The qualified shareholder and intermediary institution shall comply with the Company's then-effective shareholder inspection policies.

**Article 36** In the event that the particulars of a resolution passed at a general meeting or a Board meeting are in violation of laws or administrative regulations, the shareholders shall have the right to petition the People's Court to establish such particulars as invalid.

In the event that the procedures for convening a general meeting or a Board meeting, or the voting methods thereof are in violation of laws, administrative regulations or the Articles of Association, or the particulars of a resolution are in violation hereof, the shareholders shall have the right to petition the People's Court to make revocation within sixty (60) days from the date of the resolution. However, this shall not apply if the procedures for convening or voting methods of a general meeting or a Board meeting involve only minor defects that do not materially affect the resolution.

Where disputes arise among the Board, shareholders, or other relevant parties regarding the validity of a general meeting resolution, such parties shall promptly file a lawsuit with the People's Court. Prior to the People's Court rendering a judgment or ruling to revoke the resolution, the relevant parties shall implement the general meeting resolution. The Company, directors, senior management officer shall diligently perform their duties to ensure the normal operation of the Company.

Upon the People's Court issuing a judgment or ruling on the matter, the Company shall fulfill its information disclosure obligations in accordance with laws, administrative regulations, and the rules of the CSRC and the stock exchange, providing a comprehensive explanation of the impact. The Company shall actively cooperate with the execution of the judgment or ruling after it takes effect. Where corrections to prior matters are required, the Company shall promptly address them and fulfill the corresponding information disclosure obligations.

**Article 37** A resolution of a general meeting or Board meeting of the Company shall be deemed invalid under any of the following circumstances:

- (1) The resolution has been made without the convening of a general meeting or Board meeting;
- (2) The resolution has been made without voting at the general meeting or Board meeting;
- (3) The number of persons attending or votes represented at the meeting does not reach the number of persons attending or votes represented as stipulated under the Company Law or these Articles of Association;
- (4) The number of persons attending or votes represented at the meeting voting in favor of the matter to be resolved does not reach the number of persons attending or votes represented as stipulated under the Company Law or these Articles of Association.

**Article 38** In the event that a director or a senior management officer other than a member of the audit and risk committee violates laws, administrative regulations or the Articles of Association when performing his duties for the Company, thus causing losses to the Company, the shareholders who either alone or jointly having been holding more than one percent (1%) of shares of the Company for one hundred and eighty (180) consecutive days or more shall have the right to request in writing that the audit and risk committee bring legal action before the People's Court. In the event that a member of the audit and risk committee violates laws, administrative regulations or the Articles of Association when executing its duties for the Company, thus causing losses to the Company, the aforementioned shareholders may request in writing that the Board of Directors bring legal action before the People's Court.



In the event that the audit and risk committee or the Board of Directors refuses to take legal action upon receipt of the request in writing from the shareholders as prescribed in the preceding paragraph, or does not take legal action within thirty (30) days of receiving such a request, or any emergency or failure to take immediate legal action will cause irreparable damage to the interests of the Company, the shareholders prescribed in the preceding paragraphs shall have the right to bring legal action directly before the People's Court in their own names in the interests of the Company.

In the event that some other persons infringe the legitimate rights and interests of the Company, thus causing losses to the Company, the shareholders prescribed in the first paragraph of this Article may bring legal action before the People's Court in accordance with the provisions of the preceding two paragraphs.

In the event that a director, supervisor, or senior management officer of a wholly-owned subsidiary of the Company violates the provisions of laws, administrative regulations, or the Articles of Association when performing his duties, thus causing losses to the Company, or in the event that any other party infringes upon the lawful rights and interests of a wholly-owned subsidiary resulting in losses, the shareholders who either alone or jointly having been holding more than one percent (1%) of shares of the Company for one hundred and eighty (180) consecutive days or more may, in accordance with the first three paragraphs of Article 189 of the Company Law, request in writing that the supervisory committee or the board of directors of a wholly-owned subsidiary bring legal action before the People's Court or bring legal action directly before the People's Court in their own names.

For wholly-owned subsidiaries of the Company that do not have a supervisory committee or supervisors but have established an audit committee, the provisions of the first and second paragraphs of this Article shall apply.

**Article 39** In the event that a director or a senior management officer violates laws, administrative regulations or these Articles of Association, thus causing damage to the interests of shareholders, the shareholders may bring legal action before the People's Court.

**Article 40** A shareholder of the Company shall undertake the following obligations:

- (1) comply with laws, administrative regulations and these Articles of Association;
- (2) pay capital contribution according to his shares subscribed and the method of equity capital injection;
- (3) may not withdraw share capital unless provided by laws, administrative regulations, the Articles of Association or the agreed terms for the subscription of shares;

- (4) may not abuse the rights of a shareholder to prejudice the interests of the Company or other shareholders; may not abuse the Company's independent status of legal person and shareholders' limited liability to prejudice the interests of the Company's creditors;
- (5) other obligations to be undertaken as prescribed by laws, administrative regulations and these Articles of Association.

**Article 41** In the event that a shareholder of the Company abuses his rights, thus causing losses to the Company or other shareholders, he shall be liable for compensation in accordance with the laws. In the event that a shareholder of the Company abuses the Company's independent status of legal person and shareholders' limited liability to evade debts, thus seriously prejudicing the interests of the Company's creditors, he shall be jointly and severally liable for the Company's debts.

In the event that a shareholder holding more than five percent (5%) of the voting shares of the Company pledges the shares he holds, he shall report to the Company in writing on the date of making the pledge.

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

**Article 42** The controlling shareholder and de facto controller of the Company shall exercise their rights and perform their obligations in accordance with laws, administrative regulations, the provisions of the CSRC and stock exchanges to safeguard the interests of the listed company.

**Article 43** The controlling shareholder and de facto controller of the Company have an obligation of good faith towards the listed company and other shareholders, and shall comply with the following provisions:

- (1) to exercise their rights as shareholders in accordance with the law and not to abuse their control or use their connected relationship to prejudice the legitimate interests of the Company or other shareholders;
- (2) to strictly fulfill their public statements and various undertakings and not to change or waive such statements and undertakings in a unilateral manner;

- (3) to fulfill their information disclosure obligations in strict accordance with relevant regulations, proactively cooperate with the Company in information disclosure and inform the Company in a timely manner of material events that have occurred or are intended to occur;
- (4) not to appropriate the Company's funds in any way;
- (5) not to order, instruct, or request the Company and its relevant personnel to provide guarantees in violation of laws and regulations;
- (6) not to make use of the Company's undisclosed material information to gain benefits, or disclose in any way undisclosed material information relating to the Company, or engage in insider trading, short-term trading, market manipulation or other illegal and unlawful acts;
- (7) not to prejudice the legitimate interests of the Company and other shareholders through unfair connected transactions, profit distribution, asset restructuring, external investment or any other means;
- (8) to ensure the integrity of the Company's assets, and the independence of its personnel, finance, organization and business, and not to affect the independence of the Company in any way;
- (9) laws, administrative regulations, and provisions of the CSRC, business rules of stock exchanges and other requirements of these Articles of Association.

Where a controlling shareholder or de facto controller of the Company instructs a director or senior management officer to engage in an act that is detrimental to the interests of the Company or the shareholders, he shall bear joint and several liability with the director or senior management officer.

**Article 44** Where a controlling shareholder or de facto controller pledges the shares of the Company that he holds or effectively controls, he shall maintain the stability of the Company's control and that of its production and operation.

**Article 45** Where a controlling shareholder or de facto controller transfers the shares of the Company held by him, he shall comply with the restrictive provisions on the transfer of shares set out in laws, administrative regulations, the regulations of the CSRC and stock exchanges, as well as his undertakings in respect of restrictions on the transfer of shares.

### **Section 3 General Provisions for General Meetings**

**Article 46** The general meeting of the Company shall be composed of all shareholders. The general meeting is the authority of the Company and shall exercise the following duties and powers in accordance with the law:

- (1) elect and replace directors and decide on the remuneration of directors;
- (2) consider and approve the report of the Board of Directors;
- (3) consider and approve the Company's profit distribution plan and loss recovery plan;
- (4) except as provided for in these Articles of Association, make a resolution on the increase or decrease of the registered capital of the Company;
- (5) make a resolution on the issuance of corporate bonds, or authorize the Board of Directors to make a resolution on the issuance of corporate bonds;
- (6) make a resolution on the merger, division, dissolution or liquidation of the Company, or on the change in the type of the Company;
- (7) amend these Articles of Association;
- (8) make a resolution on the Company's engagement, dismissal of an accounting firm that undertakes the Company's auditing business;
- (9) consider and approve the guarantees prescribed in Article 47 hereof;
- (10) consider and approve the Company's purchase or sale of major assets (including equity) within one year in excess of thirty percent (30%) of the Company's latest audited total assets;
- (11) consider and approve changes in the use of proceeds;
- (12) consider and approve an equity incentive plan and employee stock ownership plan;
- (13) consider and approve major transactions that are subject to the resolution by the general meeting in accordance with the regulatory rules of the place of listing;

- (14) consider and approve connected transactions that are subject to the resolution by the general meeting in accordance with the regulatory rules of the place of listing;
- (15) consider and approve financial assistance that is subject to the resolution of the general meeting in accordance with the regulatory rules of the place of listing;
- (16) consider other matters on which resolutions shall be made by a general meeting as required by the laws and regulations of the place where the Company's shares are listed or the relevant rules of the securities regulatory authorities or stock exchanges or these Articles of Association.

**Article 47** The following external guarantees by the Company shall be considered and approved by a general meeting.

- (1) any guarantee provided after the total amount of external guarantees by the Company and its holding subsidiaries exceed fifty percent (50%) of the latest audited net assets;
- (2) any guarantee provided after the total amount of external guarantees by the Company and its holding subsidiaries exceed thirty percent (30%) of the latest audited net assets;
- (3) any guarantee provided by the Company to others with a guaranteed amount in excess of thirty percent (30%) of the latest audited total assets of the Company on a cumulative basis within consecutive twelve (12) months;
- (4) any guarantee provided for a target party whose asset-liability ratio is over seventy percent (70%);
- (5) any guarantee with a single guaranteed amount in excess of ten percent (10%) of the latest audited net assets;
- (6) any guarantee provided to shareholders, de facto controllers and their related parties.;
- (7) other guarantees that shall be considered by a general meeting as required by the regulators or the stock exchange of the place of listing of the Company's shares.

The term "external guarantees" referred to above shall mean guarantees provided by the Company to others, including the guarantees provided by the Company to its holding subsidiaries. The expression "the total amount of external guarantees by the Company and its holding subsidiaries" shall mean the sum of the total amount of the Company's external guarantees comprising the guarantees provided by the Company for its holding subsidiaries, plus the total amount of external guarantees provided by the holding subsidiaries of the Company.

**Article 48** General meetings include annual meeting of shareholders and extraordinary general meeting. An annual general meeting shall be convened once (1) each year, and held within six (6) months after the end of the previous fiscal year.

**Article 49** The Company shall convene an extraordinary general meeting within two (2) months of the happening of an event if:

- (1) the number of directors is below the required quorum as prescribed in the Company Law or is less than two-thirds (2/3) of the specified quorum hereunder;
- (2) the losses not yet made up by the Company account for one-third (1/3) of the total share capital;
- (3) the shareholders individually or jointly holding more than ten percent (10%) of shares of the Company (including preference shares with voting rights restored) make a request;
- (4) as the Board of Directors considers it necessary;
- (5) as the audit and risk committee proposes convening the meeting;
- (6) other cases as required by laws, administrative regulations, departmental rules or these Articles of Association.

When calculating the percentage of shareholding referred to in subparagraph (3) of this article, only ordinary shares and preference shares with voting rights restored shall be counted.

**Article 50** A general meeting of the Company shall be convened at the domicile of the Company or other specific locations notified by the convenor of the general meeting.

A venue shall be available for a general meeting which shall be held as an onsite meeting. The Company shall also provide a network or otherwise to facilitate the attendance of shareholders at the general meeting. Shareholders attending a general meeting in the above methods shall be deemed being present at the meeting.

**Article 51** When the Company holds a general meeting, a lawyer shall be engaged to present a legal opinion on the following matters and make an announcement:

- (1) whether or not the procedures for convening and holding the meeting are in compliance with laws, administrative regulations and the provisions of these Articles of Association;

- (2) whether or not the qualifications of the officers present at the meeting, and of the convenor are lawful and valid;
- (3) whether or not the voting procedures at the meeting and the voting results are lawful and valid;
- (4) other legal opinions to be presented on other relevant matters at the request of the Company.

#### **Section 4 Convening of the General Meetings**

**Article 52** The Board of Directors shall convene the general meeting on time and within the prescribed period.

With the consent of a majority of all independent directors, the independent directors shall have the right to propose to the Board of Directors the convening of an extraordinary general meeting. With respect to this proposal, the Board of Directors shall, in accordance with laws, administrative regulations and these Articles of Association, bring forward a feedback opinion in writing, within ten (10) days of receiving the proposal, on agreeing or disagreeing with convening the extraordinary general meeting. In the event that the Board of Directors agrees to convene the extraordinary general meeting, it shall issue a notice of convening a general meeting within five (5) days of making a resolution. In the event that the Board of Directors does not agree to convene the extraordinary general meeting, it shall explain the reasons and make an announcement.

**Article 53** The audit and risk committee's proposal to the Board of Directors for the convening of an extraordinary general meeting shall be made in writing. The Board of Directors shall, in accordance with laws, administrative regulations and these Articles of Association, bring forward a feedback opinion in writing, within ten (10) days of receiving the proposal, on agreeing or disagreeing with convening the extraordinary general meeting.

In the event that the Board of Directors agrees to convene the extraordinary general meeting, it shall issue a notice of convening a general meeting within five (5) days of making a resolution. Any changes in the original proposal in the notice shall be approved by the audit and risk committee.

In the event that the Board of Directors does not agree to convene the extraordinary general meeting or does not make any feedback within ten (10) days of receiving the proposal, the Board of Directors shall be deemed as being unable to or as being not to perform the duty of convening the general meeting. The audit and risk committee may convene and preside over a meeting on their own.

**Article 54** Shareholders individually or jointly holding more than ten percent (10%) of shares of the Company (including preference shares with voting rights restored) to request the Board of Director for convening an extraordinary general meeting, shall do so in writing. The Board of Directors shall, in accordance with laws, administrative regulations and these Articles of Association, bring forward a feedback opinion in writing, within ten (10) days of receiving the request, on agreeing or disagreeing with convening the extraordinary general meeting.

In the event that the Board of Directors agrees to convene the extraordinary general meeting, it shall issue a notice of convening a general meeting within five (5) days of making a resolution. Any changes in the original request in the notice shall be approved by the relevant shareholders.

In the event that the Board of Directors does not agree to convene the extraordinary general meeting or does not make any feedback within ten (10) days of receiving the request, shareholders individually or jointly holding more than ten percent (10%) of shares of the Company (including preference shares with voting rights restored) shall propose to the audit and risk committee the convening of an extraordinary general meeting, and shall do so in writing.

In the event that the audit and risk committee agrees to convene the extraordinary general meeting, it shall issue a notice of convening a general meeting within five (5) days of receiving the request. Any changes in the original request in the notice shall be approved by the relevant shareholders.

In the event that the audit and risk committee does not issue a notice of extraordinary general meeting within the prescribed time limit, it shall be deemed as being not to convene and preside over the meeting. Shareholders who individually or jointly have been holding more than ten percent (10%) of shares of the Company (including preference shares with voting rights restored) for consecutive ninety (90) days may convene and preside over a meeting on their own.

**Article 55** In the event that the audit and risk committee or a shareholder decides to convene a general meeting on its own, it or he shall notify the Board of Directors in writing and report the same to the local representative office of CSRC where the Company is located and the Shanghai Stock Exchange for the record.

The audit and risk committee or the convening shareholders shall submit relevant evidence to the local representative office of CSRC and the Shanghai Stock Exchange when giving a notice of general meeting and making an announcement on the resolutions made at such meeting. The content of the notice of the general meeting shall be in compliance with the provisions of these Articles of Association and the place of the meeting shall be the domicile of the Company.

Before making an announcement on a resolution made at the general meeting, the percentage of shares held by the convening shareholders (including preference shares with voting rights restored) may not be less than ten percent (10%).



**Article 56** The Board of Directors and the secretary of the Board of Directors shall cooperate with the audit and risk committee or the shareholders in convening a general meeting on their own. The Board of Directors shall provide the register of shareholders as at the record date.

**Article 57** The Company shall bear the expenses necessary for a general meeting convened by the audit and risk committee or the shareholders on their own.

## **Section 5 Proposals and Notices of General Meetings**

**Article 58** The particulars of a proposal shall be part of the terms of reference of a general meeting, containing clear issues and specific matters for resolutions, and being in compliance with laws, administrative regulations and relevant provisions hereof.

**Article 59** The Board of Directors, the audit and risk committee and shareholders individually or jointly holding more than one percent (1%) of shares of the Company (including preference shares with voting rights restored) shall have the right to submit proposals to the Company on holding a general meeting.

Shareholders individually or jointly holding more than one percent (1%) of shares of the Company (including preference shares with voting rights restored) may bring forward provisional proposals and submit the same in writing to the convenor ten (10) days prior to the general meeting. The convenor shall issue a supplementary notice of general meeting within two (2) days of receiving the proposals to publish particulars of the provisional proposals, and submit these provisional proposals to the general meeting for consideration. However, this does not apply to the provisional proposals that violate the laws, administrative regulations or the provisions of these Articles of Association, or that do not fall within the terms of reference of the general meeting.

Unless otherwise provided in the preceding paragraph, the convenor may not amend the proposals set out in the notice of general meeting, or add new proposals after issuing an announcement on the notice of general meeting.

No voting may take place and no resolutions may be made at the general meeting on proposals which are not set out in the notice of general meeting or do not meet the requirements hereof.

**Article 60** When the Company holds an annual general meeting, the convenor shall give a written notice of the meeting to shareholders who are entitled to attend the general meeting twenty (20) days prior to the meeting. When the Company holds an extraordinary general meeting, the convenor shall give a written notice of the meeting to shareholders who are entitled to attend the general meeting fifteen (15) days prior to the meeting.

**Article 61** A notice of general meeting shall meet the following requirements:

- (1) it shall contain the time, place and duration of the meeting;
- (2) it shall contain matters and proposals to be considered at the meeting;
- (3) it shall be given a statement in conspicuous language that all shareholders, including ordinary shareholders (including the holders of preference shares with voting rights restored) and shareholders holding special voting shares, are entitled to attend the general meeting and may appoint a proxy in writing to attend the meeting and vote, and such proxy need not be a shareholder of the Company;
- (4) it shall contain the record date on which shareholders have the right to attend the general meeting;
- (5) it shall contain the names and telephone numbers of permanent contact persons for the affairs of the meeting;
- (6) it shall contain voting time and voting procedure by internet or other means.

**Article 62** In the event that the election of directors is to be discussed at general meetings, the notice of general meetings shall fully disclose details of candidates for the directors, and shall at least include the following particulars:

- (1) their educational background, work experience, part-time jobs and other personal details;
- (2) whether or not they have any connections with the Company or the Company's controlling shareholders and de facto controllers;
- (3) the number of shares of the Company they hold;
- (4) whether or not they have penalized by the CSRC and other relevant departments, and disciplined by the stock exchange.

In addition to adopting the cumulative voting system to elect directors, a single proposal on each of the candidates for directors shall be submitted.

**Article 63** After a notice of general meeting is given, the general meeting shall not be postponed or canceled, and the proposals set out in the notice of general meeting shall not be canceled without due reason. Once the meeting is postponed or cancelled, the convenor shall make an announcement and explain the reasons at least two (2) working days prior to the scheduled meeting date. In the event that the listing rules in the place of listing of the Company's shares provide for the above matter otherwise, such provisions shall be followed.

## **Section 6 Convening of General Meetings**

**Article 64** The Board of Directors of the Company and other convenors shall take necessary measures to ensure the normal order of a general meeting. They shall take measures to prevent and promptly report to the relevant departments for investigating any interference with the general meeting, disturbance and violation of the legitimate rights and interests of shareholders.

**Article 65** All ordinary shareholders (including the holders of preference shares with voting rights restored), and shareholders holding special voting shares or their proxies recorded in the register on the record date shall have the right to attend general meetings and exercise the rights to vote in accordance with relevant laws, regulations and these Articles of Association.

Shareholders may attend a general meeting in person, and also may appoint a proxy to attend and vote on their behalf.

**Article 66** In the event that an individual shareholder attends a general meeting, he shall produce his own identity card or other valid documents or proof capable of identifying himself; in the event that a proxy attends the meeting for someone else, he shall produce his own valid identity documents and the power of attorney from the shareholder.

For a corporate shareholder, his legal representative or the proxy appointed by such legal representative shall attend the meeting. In the event that the legal representative attends the meeting, he shall produce his own identity card or valid proof capable of proving that he has the status of a legal representative; in the event that the proxy attends the meeting, he shall produce his own identity card and the written power of attorney issued by the legal representative of the corporate shareholder according to law.

In the event that the shareholder is a recognized clearing house (or its agent), the shareholders may authorize one person or more as it deems appropriate to act as his representative in any shareholders' general meeting or any class meeting and creditors' meeting; However, in the event that more than one person is authorized, the letter of authority shall specify the number and type of shares of each of those persons covered by this authorization. The persons so authorized may represent the recognized clearing house (or its agent) to exercise their rights, including the rights to speak and vote, as if the persons were the Company's individual shareholders.

**Article 67** The power of attorney issued by a shareholder to appoint another party to attend a general meeting shall contain the following particular:

- (1) The name of the principal, and the class and number of shares held by the Company;
- (2) The name of the proxy;
- (3) Specific instructions of the shareholder, including instructions to vote in favour of, against or abstain from voting on each of the matters to be included in the agenda of the general meeting;
- (4) the date and validity of the power of attorney;
- (5) the signature (or seal) of the principal. In case the principal is a corporate shareholder, it shall be affixed with the seal of the legal entity.

**Article 68** If the proxy voting authorization is authorized by the principal to be signed by another person, the power of attorney or other authorization documents authorized to be signed shall be notarized. The notarized power of attorney or other authorization documents and the proxy form shall be kept at the Company's residence or at other places specified in the notice convening the meeting.

**Article 69** A meeting attendance register of attendants at a meeting shall be compiled by the Company. The meeting attendance register shall state the names (or names of work units), identity card numbers, number of shares held or representing voting shares, the names of principals (or names of work units) and so on.

**Article 70** The convenor and the lawyers engaged by the Company shall jointly verify the legitimacy of the qualifications of shareholders based on the register of shareholders provided by a securities registration and clearing institution, and record the names of shareholders and the number of voting shares held by them. Meeting registration shall be terminated before the convenor of the meeting announces the number of shareholders and proxies physically present at the meeting as well as the total number of voting shares held.

**Article 71** If the general meeting requests the attendance of directors and senior management, the directors and senior management shall attend the meeting and accept the enquiry of shareholders.

**Article 72** A general meeting shall be chaired by the chairman. In the event that the chairman is unable to or fails to perform his duties, the vice-chairman (in case the Company has two or more vice-chairmen, the vice-chairman jointly elected by more than half of the directors shall chair the meeting) shall chair the meeting. In the event that the vice-chairman is unable to or fails to perform his duties, a director of the Company jointly elected by more than half of the Directors shall chair the meeting.

A general meeting convened by the audit and risk committee on its own shall be chaired by the chairman of the audit and risk committee. In the event that the chairman of the audit and risk committee is unable to or fails to perform his duties, a member of the audit and risk committee jointly elected by more than half of members of the audit and risk committee shall chair the meeting.

A general meeting convened by shareholders on their own shall be chaired by the convenor or by his elected representative.

During a general meeting, in the event that the convenor of the meeting violates the rules of procedure so that the general meeting cannot proceed, a person may be elected as the convenor of the meeting thereat to proceed with the meeting with the consent of the shareholders with a majority of the voting rights present at the meeting.

**Article 73** The Company shall establish rules of procedure for a general meeting to govern in detail various particulars of the procedures for summoning and convening a general meeting and voting thereat, such as notice, registration, review of proposals, voting, counting of votes, announcement of voting results, formation of resolutions, meeting minutes and the signing thereof and the announcement thereon, as well as the principles of authorizing the Board of Directors by a general meeting, and the content of such authorization shall be clear and specific.

**Article 74** At an annual general meeting, the Board of Directors shall report to the general meeting on their work over the past one year. Each of the independent directors shall also make their personal work reports.

**Article 75** Directors and senior management officers shall explain and illustrate the questions and suggestions made by shareholders at a general meeting, except for national secrets or trade secrets of the Company that cannot be disclosed at a general meeting.

**Article 76** The convenor of a meeting shall announce, before voting takes place, the number of shareholders and proxies physically present at the meeting as well as the total number of all kinds of voting shares held. The total number of voting shares held by shareholders and proxies physically present at the meeting shall be based on the registration at the meeting.

**Article 77** Minutes shall be prepared for a general meeting by the Secretary of the Board of Directors. The minutes of a meeting shall record the following particulars:

- (1) the time, place, agenda and name of the convenor of the meeting;
- (2) the names of the convenor of the meeting and the directors and senior management officers sitting in on the meeting;
- (3) the number of shareholders and proxies attending the meeting, the total number of voting shares held and their percentages of total number of shares of the Company; the holders of domestic listed shares and the holders of domestically-listed foreign shares attending the general meeting;
- (4) the process of considering each proposal, main points of remarks and voting results of each resolution; voting results of the holders of domestic listed shares and holders of domestically-listed foreign shares, ordinary shareholders (including the holders of preference shares with voting rights restored) and class shareholders (if applicable) of each resolution;
- (5) questions, comments or suggestions by shareholders, and the replies thereto or explanations thereof;
- (6) the names of lawyers, counters and scrutineers of votes;
- (7) other particulars that shall be recorded into the meeting minutes as prescribed hereunder.

**Article 78** A convenor shall ensure that the particulars of meeting minutes are true, accurate and complete. Directors, secretary of the Board of Directors, convenor or his representative and the convenor of the meeting who attended or presented the meeting shall sign the minutes of the meeting. The minutes of the meeting shall be kept together with the valid data on the signature book of shareholders physically present at the meeting, powers of attorney of proxies present, details of voting on the network and other voting methods shall be kept for a period of not less than ten (10) years.

**Article 79** A convenor shall ensure that a general meeting shall be held consecutively until a final resolution is formed. In the event that a general meeting is suspended or no resolutions can be made thereat due to special reasons such as force majeure, the convenor shall take necessary measures to restore the meeting as soon as possible or directly terminate the meeting, and make an announcement promptly. Meanwhile, the convenor shall report to the local representative office of CSRC and the stock exchange of the place where the Company is located.

## **Section 7 Voting and Resolutions at General Meetings**

**Article 80** Resolutions made at a general meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution made at a general meeting shall be passed by more than half of voting rights held by the shareholders present at the meeting.

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

The shareholders referred to in this article include shareholders who appoint proxies to attend the general meeting.

In the event that a matter required to be voted by poll is the election of the convenor of a meeting or the suspension of a meeting, voting shall immediately take place by poll; other matters required to be voted by poll shall be decided by the convenor of the meeting when voting takes place, and the meeting may continue to discuss other matters. The voting results shall still be considered as resolutions passed at the meeting.

The convenor of a meeting shall decide on whether a resolution at a general meeting is passed according to the voting results, and his decision shall be final, and he shall announce the voting results at the meeting, which shall be recorded in the minutes.

During voting by poll, shareholders (including proxies) who have two voting rights or more need not cast all the voting rights in favour or against a matter.

**Article 81** The following matters shall be passed by ordinary resolution at a general meeting:

- (1) the work report of the Board of Directors;
- (2) Board of Directors' proposed profit distribution plan and loss recovery plan;
- (3) the appointment and removal of members of the Board of Directors and their remuneration and payment methods;
- (4) matters other those that are required to be passed by special resolution under laws, administrative regulations or provisions hereof.

**Article 82** The following matters shall be passed by special resolution at a general meeting:

- (1) the Company's increase or decrease of registered capital;
- (2) the division, spin-off, merger, dissolution and liquidation of the Company;
- (3) amendments to these Articles of Association;
- (4) the Company's purchase or sale of major assets or guaranteed amounts provided to others within one year in excess of thirty percent (30%) of the latest audited total assets of the Company;
- (5) equity incentive plans;
- (6) except in the case of the Company in crisis or other special circumstances, the Company enters into a contract with a person other than directors or senior management officers that place the management of the Company's entire or important business in that person's charge;
- (7) other matters which are required to be passed by special resolution under laws, administrative regulations or these Articles of Association, which are supposed to have a significant impact on the Company if they are passed by ordinary resolution at a general meeting, and which are required to be passed by special resolution.

**Article 83** Shareholders shall exercise their voting rights represented by the number of voting shares. Each share shall have one voting right, except for class shareholders.

Where material issues affecting the interests of small and medium investors are being considered in the general meeting, the votes by small and medium investors shall be counted separately. The separate counting results shall be publicly disclosed.

The shares of the Company held by the Company shall not have voting rights, and these shares shall not be included in the total number of voting shares at a general meeting.

In the event that a shareholder's purchase of the Company's of voting shares violates the provisions of Article 63(1) and (2) of the Securities Law, the portion of such shares in excess of the prescribed percentage shall not be allowed to exercise voting rights for a period of thirty-six (36) months after the purchase, and such portion of the shares shall not be counted in the total number of voting shares present at the general meeting.



The Board of Directors of the Company, independent directors, shareholders holding one percent (1%) or more of the voting shares, or investor protection organizations established in accordance with laws, administrative regulations or the provisions of the CSRC may publicly solicit voting rights from shareholders from shareholders. The solicitation of voting rights from shareholders shall fully disclose specific voting intentions and other information to the solicited person. Solicitation of voting rights from shareholders by way of compensation or disguised compensation is prohibited. In addition to the statutory conditions, the Company shall not impose a minimum shareholding ratio restriction on the solicitation of voting rights.

**Article 84** Interested shareholders shall not take part in voting when connected transactions are being considered at a general meeting. The number of shares with voting rights represented by them shall not be included in the total number of valid votes; The announcement on the resolutions made at a general meeting shall fully disclose details of voting by non-interested shareholders.

**Article 85** A list of candidates for directors shall be submitted as a proposal to a general meeting for voting.

In the event that the general meeting elects more than two directors, the cumulative voting system shall be implemented.

**Article 86** The methods and procedures for nominating a director shall be:

- (1) shareholders who hold or jointly hold more than three percent (3%) of the Company's total outstanding voting shares may, by written proposals, propose to a general meeting non-employees' representatives as candidates for directors, but the number of nominations shall be in compliance with the Articles of Association, and shall not be more than the number of persons to be elected. The proposal shall be served to the Company fourteen (14) days prior to the general meeting;
- (2) the Board of Directors may submit a proposed list of candidates for directors within the number of persons prescribed hereunder according to the number of persons to be elected, and submit the list to the Board of Directors for review. The Board of Directors shall conduct a review and pass a resolution to determine the candidates for directors, and shall submit a written proposal to the general meeting;
- (3) Nomination of independent directors shall be in compliance with the separate special policy established by the Company for independent directors;
- (4) The period given by the Company to nominators and for nominees to submit the aforesaid notice and documents (such period shall commence from the date after the date of giving the notice of general meeting) shall not be less than seven (7) days;

- (5) each of the candidates for directors shall be voted one by one at the general meeting, except for cases where the cumulative voting system applies;
- (6) any provisional additional election of directors shall be proposed by the Board of Directors and recommended to the general meeting for election or replacement.

**Article 87** Except the cumulative voting system, all proposals shall be voted one by one at a general meeting. In the event that there are different proposals on the same matter, they shall be voted in chronological order of proposing such proposals. Except for special reasons such as force majeure that result in suspending a general meeting or failing to make any resolution, no proposals may be shelved or may not be voted at a general meeting.

**Article 88** When a proposal is being considered at a general meeting, no modifications will be made to the proposal, and if it is changed, it shall be deemed as a new proposal and shall not be voted at the general meeting.

**Article 89** The same voting right may only be exercised at either an on-site meeting, on the network or in another voting method. In the event that the same voting right is repeated, the result of the first (1) vote shall prevail.

**Article 90** Voting at a general meeting shall take place by open ballot.

**Article 91** Before voting takes place on a proposal at a general meeting, two shareholders' representatives shall be elected to participate in vote counting and scrutinizing. In the event that a shareholder has a connected relationship in a matter to be considered, the relevant shareholder and his proxy shall not participate in the vote counting and scrutinizing.

When voting takes place on a proposal at a general meeting, lawyers and representatives of shareholders shall be jointly responsible for vote counting and scrutinizing, and shall announce the voting results on the spot. The voting results of resolutions shall be recorded in the minutes.

Shareholders of the Company or their proxies who cast their votes through the network or by another method shall have the right to inspect their own voting results through an appropriate voting system.

**Article 92** An on-site general meeting shall not end earlier than the one held on the network or in another method. The convenor of the meeting shall announce details and results of the voting on each proposal, and announce whether a proposal is passed according to the voting results.

Before the formal announcement of voting results, the Company, vote counters, vote scrutineers, shareholders, network services providers and other related parties involved at the on-site general meeting, on the network and in another voting method shall be under a confidentiality obligation for the details of the voting.

**Article 93** Shareholders present at a general meeting shall express one of the following opinions on a proposal submitted for voting: being in favour of, being against or abstaining from voting, unless securities registration and settlement institutions, as the nominal holders of shares that can be traded through Shanghai-Hongkong stock connect, declare to report according to the intentions of actual holders.

Uncompleted paper ballots, wrongly completed paper ballots, paper ballots with illegible characters and uncast paper ballots shall be deemed as voters abstaining from their voting rights. The voting results of the shares they hold shall be counted as “abstained”.

**Article 94** In the event that the convenor of a meeting has any doubt about the results of a resolution submitted to voting, he may arrange the counting of the votes cast; in the event that the convenor of the meeting has not counted the votes but shareholders or their proxies present at the meeting disagree with the results announced by the convenor, they shall have the right to request vote counting immediately after the voting results are announced. The convenor shall immediately arrange the counting of votes.

**Article 95** Resolutions made at a general meeting shall be announced promptly. The announcement shall set out details on the number of shareholders and proxies present at the meeting, the total number of voting shares held and the percentage of the total number of voting shares of the Company, voting method, voting results of each proposal and the details of the resolutions passed.

The Company shall contain respective statistical figures on the holders of domestic and foreign shares, ordinary shareholders (including the holders of preference shares with voting rights restored) and class shareholders present at the meeting as well as their voting, and an announcement thereon shall be made.

**Article 96** In the event that a proposal is not passed, or a resolution passed at a previous general meeting is modified at this general meeting, a special note shall be made in the announcement on the resolutions made at the general meeting.

**Article 97** In the event that a proposal on the election of directors is passed at a general meeting, the new directors shall assume office at the later of (1) the date on which the general meeting resolves to adopt such proposal, or (2) the time when such proposal specifies when the directors shall assume office.

**Article 98** In the event that a proposal on the distribution of cash dividends or bonus shares or on share capital increase with transfers from the capital reserves is passed at a general meeting, the Company shall implement a specific scheme thereon within two (2) months after the end of the general meeting.

## **Chapter 5 The Party Committee**

**Article 99** According to the Party Constitution, Working Rules of Basic Organizations of the State-owned Enterprises of the Communist Party Committee of China (Trial) and other requirements, and with the approval of the superior Party organizations, the Company shall set up the CPC Party Committee of China Communications Construction Company Limited. Meanwhile, in accordance with relevant requirements, the Company shall set up a discipline inspection committee of the Party.

**Article 100** The Party Committee of the Company shall be elected by the Party member representative assembly, with each term generally lasting five (5) years. Upon the expiration of the term, a re-election shall be conducted as scheduled. The term of the discipline inspection committee of the Party shall be the same as that of the Party Committee.

**Article 101** The Party Committee of the Company generally consists of five (5) to eleven (11) members. There should be one (1) party secretary, and two (2) or one (1) deputy party secretary(ies).

**Article 102** The Party Committee of the Company shall play the leadership role, providing direction, managing the overall situation, ensuring implementation, and discussing and making decisions on major business matters in accordance with the regulations. The major responsibilities are:

- (1) to enhance the building of politics of the Party, adhere to and implement the fundamental system, basic system and important system of socialism with Chinese characteristics as well as educate and guide all Party members to maintain a high degree of consistency with the Party Central Committee with Comrade Xi Jinping as the core in the political stance, political direction, political principles and political path;
- (2) to thoroughly study and implement Xi Jinping Thought on Socialism with Chinese Characteristics in the new era, learn and propagate the Party's theory, thoroughly implement the Party's line, principles and policies as well as supervise and guarantee the implementation of major strategy deployments of the Party Central Committee as well as the resolutions of the Party organization at a higher level in the Company;

- (3) to investigate and discuss the Company's significant operational and management matters and support the general meeting, the Board of Directors and the Executive Committee to exercise their rights and perform their duties in accordance with the laws;
- (4) to strengthen its leadership and gate keeping role in the process of selection and appointment of personnel of the Company, and the building of the leading team, cadre team and talents team of the Company;
- (5) to undertake the main responsibility in improving Party conduct and upholding integrity, lead and support the discipline inspection commission of the Company to fulfil their supervisory and disciplining responsibilities as well as exercise strict administrative discipline and political rules and promote Party self-governance exercised fully and with rigor into the grassroots level;
- (6) to strengthen the building of grassroot Party organizations and the Party member service, unit and lead officials and employees to devote themselves into the reform and development of the Company;
- (7) to lead the ideological and political work, the spirit and civilization construction, and the united front work of the Company and lead mass organizations such as the labour union, the Communist Youth League and women's organization.
- (8) to conduct inspection as needed, establish inspection body, and, in principle, carry out inspection and supervision over the subordinate Party organizations in accordance with the Party's organizational hierarchy and the authority over cadre management;
- (9) to discuss and decide on other important matters within the scope of responsibilities of the Party Committee.

**Article 103** The list of major business and management matters shall be formulated in accordance with relevant regulations. Major business and management matters shall be studied and discussed by the Party Committee before the Board makes a decision in accordance with its functions and powers and specified procedures.

**Article 104** The Company will adhere to and improve a "bidirectional access, cross appointment" leadership mechanism. Eligible Party members may join the Board and management through statutory procedures. Eligible Party members in the Board and management may join the Party Committee in accordance with relevant requirements and procedures.

The secretary to the Party Committee and the Chairman of the Board shall be held by the same individual, and the president of the Party is generally the deputy secretary of the Party Committee. The Party Committee shall appoint a deputy secretary who shall be mainly responsible for Party construction, who generally joins the Board and does not hold any position in the management.

## **Chapter 6 Directors and the Board**

### **Section 1 General Provisions in Relation to Directors**

**Article 105** A director of a Company is a natural person and in any of the following circumstances shall be disqualified for serving as a director of the Company:

- (1) civil incompetence or limited civil competence;
- (2) For penalty on a crime of corruption, bribery, encroachment of property, embezzlement or disrupting socialist economic order, or no more than five (5) years have lapsed since termination of the execution period for deprivation of political rights due to committing a crime, or no more than two (2) years have lapsed since termination of the probationary period in the case of probation;
- (3) no more than three (3) years have lapsed since conclusion of liquidation owing to the bankruptcy of a company or enterprise where the person served as a director or factory manager or president and was personally liable for the bankruptcy;
- (4) no more than three (3) years have lapsed since the date of cancellation of the business license and winding-up of a company or enterprise on account of illegal business operations where the person served as the legal representative and was personally liable;
- (5) a person who is listed as a dishonest judgment debtor subject to enforcement by the People's Court for being liable for a relatively large amount of personal debt overdue but unpaid;
- (6) the person is currently being prohibited from participating in securities market by the CSRC and such barring period has not elapsed;
- (7) persons who have been publicly determined by a stock exchange to be unfit to serve as directors, senior management personnel of a listed company and the period of such determination has not elapsed;

- (8) other circumstances specified by the laws, administrative regulations and rules of regulatory authorities or required by the applicable securities regulators and stock exchange(s).

For any election and appointment of a director in contravention of the provisions prescribed by this Article, such election, appointment or employment shall be void and null. Where a director falls into any of the aforesaid circumstances in his term of office, the director shall be removed from office and cease his performance of duties.

**Article 106** Directors shall be elected or changed by the general meeting, and may be dismissed by the general meeting before their terms are expired. The term of office of directors is three (3) years, renewable upon re-election at its expiry.

The term of office of directors commences from the date of appointment up to the expiry of the current term of office of the Board. In the event that the term of a director falls upon expiry whereas the new member of the Board is not re-elected in time, the existing director shall continue to perform his duties in accordance with laws, administrative regulations, rules of regulatory authorities and the provisions of the Articles of Association until the re-elected director assumes office.

Directors may hold a concurrent post as senior management member of the Company, provided that the total number of directors who are serving concurrently as senior management members and the directors held by employee representatives shall not exceed half (1/2) of the total number of the Company's directors.

There shall be one (1) employee representative of the Company among the members of the Board. The employee representative director shall be elected by the employees of the Company through the employee representative meeting or other democratic procedures.

**Article 107** The directors shall comply with laws, administrative regulations and these Articles of Association, and shall bear the following fiduciary obligations towards the Company, and shall take measures to avoid conflicts between their own interests and the Company's interests, and shall not use their position to seek improper benefits.

The directors shall bear the following fiduciary obligations towards the Company:

- (1) not to expropriate the Company's property or misappropriate the Company's funds;
- (2) not to open accounts in his own name or other individuals' names for the deposit of the Company's funds;



- (3) not to exploit his position to bribe or accept other illegal income;
- (4) not to directly or indirectly enter into any contract or perform any transaction with the Company without reporting to the Board or the general meeting and obtaining approval through a resolution of the Board or the general meeting in accordance with the provisions of these Articles of Association;
- (5) not to exploit his position to seek for himself or others any business opportunities that would otherwise belong to the Company, except when reported to the Board or the general meeting and approved by a resolution of the general meeting, or when the Company is unable to utilize such business opportunities according to the provisions of laws, administrative regulations, or these Articles of Association;
- (6) not to operate on his own or for others any business that is of the same kind as the Company's business without reporting to the Board or the general meeting and obtaining approval through a resolution of the general meeting;
- (7) not to accept commissions from transactions between others and the Company for their own benefit;
- (8) not to disclose the secrets of the Company without consent;
- (9) not to use his relationship to prejudice the Company's interests;
- (10) to fulfill other fiduciary obligations stipulated by laws, administrative regulations, rules of regulatory authorities and the Articles of Association.

Gains obtained by the directors in violation of this Article shall be counted in the interest of the Company and any loss incurred to the Company shall be compensated.

When close relatives of directors or members of the senior management, enterprises directly or indirectly controlled by directors, members of the senior management or their close relatives, and other related parties having other affiliations with directors or members of the senior management enter into contracts or conduct transactions with the Company, the provisions of item (IV) of paragraph 2 of this Article shall apply.

**Article 108** Directors shall comply with laws, administrative regulations and these Articles of Association, fulfill the obligations with due diligence and perform duties with reasonable care that managers should ordinarily exercise in the best interests of the Company.



Directors shall fulfill the following obligations with due diligence:

- (1) to exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the state's laws, administrative regulations and economic policies, not going beyond the scope of business specified in the Company's business license;
- (2) to treat all shareholders impartially;
- (3) to keep informed of the business operations and management of the Company;
- (4) to sign written confirmation for the Company's regular reports and to ensure the information disclosed by the Company is true, accurate and complete;
- (5) to honestly provide the audit and risk committee with relevant information, and not to interfere the audit and risk committee with the in performing their duties and powers;
- (6) to fulfill other due diligence obligations stipulated by laws, administrative regulations, rules of regulatory authorities and the Articles of Association.

**Article 109** A director who cannot attend the meetings of the Board in person twice (2) consecutively nor appointed any other directors to attend on his behalf is deemed as failure in performing the duties, and shall be subject to replacement as recommended by the Board at the general meeting.

**Article 110** Directors may resign before expiry of their terms of office. The directors to resign shall submit a written resignation report to the Company, and the resignation shall take effect on the date the Company receives the resignation report. In the event that the resignation of any director results in the number of members of the Board falling below the quorum, the existing director shall continue to perform his duties in accordance with the laws, administrative regulations, rules of regulatory authorities and the provisions of the Articles of Association until the re-elected director assumes office.

**Article 111** The Company has established a management system for director resignations, clearly specifying the safeguards for the recovery of liability and compensation for unfulfilled public commitments and other outstanding matters. Upon a director's resignation becoming effective or at the expiry of his office, the director shall complete all handover procedures to the Board, and his fiduciary obligations to the Company and the shareholders shall not necessarily cease after the termination of tenure and shall remain effective within a period of two (2) years after his resignation. The obligations of a director arising from the performance of his duties during his term of office shall not be relieved or terminated by his resignation.

**Article 112** The general meeting may remove a director by a resolution, which shall come into effect from the date on which such resolution is made.

Where a director is removed from office prior to expiration of his term of office without reasonable cause, the director may demand compensation from the Company.

**Article 113** No directors shall act, in their personal capacity, on behalf of the Company or the Board if not provided in the Articles of Association or appropriately authorised by the Board. A director shall, when acting in his personal capacity, state his standing and identity in advance whenever a third party may reasonably believe that the said director is acting on behalf of the Company or the Board.

**Article 114** If a director performs the duties of the Company and causes damage to others, the Company shall be liable for compensation; if the director acts with intent or gross negligence, he shall also bear the liability for compensation.

A director who violates any laws, administrative regulations, rules of regulatory authorities or the Articles of Association during the course of performing his duties shall be liable for indemnification to any loss so caused to the Company.

## **Section 2 The Board**

**Article 115** A board of directors of the Company shall be established. The Board shall consist of seven (7) to nine (9) members, including one (1) Chairman and no more than two (2) Vice Chairmen. Chairman and Vice Chairman shall be elected and removed by a simple majority of votes of all directors. The term of office of Chairman and Vice Chairman is three (3) years and renewable upon re-election.

**Article 116** The Board of Directors shall exercise the following duties and powers:

- (1) to convene general meetings and report to the meetings;
- (2) to implement the resolutions passed at general meetings;
- (3) to formulate the Company's development strategies and plans;
- (4) to determine the Company's business plans, investment plans, investment and financing schemes, and investment projects above certain amounts;

- (5) to determine the Company's annual financial budget plan and final accounts plan;
- (6) to formulate the Company's profit distribution plan and loss recovery plan;
- (7) to formulate proposals for increases or reductions of the Company's registered capital and for the issuance and listing of corporate bonds or other securities;
- (8) to draft plans for material acquisition, share repurchase, merger, division, dissolution or change in corporate form;
- (9) to determine issuance of shares not exceeding twenty percent (20%) of the shares in issue within one (1) year in accordance with the authorization of the general meeting, but the funding with non-monetary assets as consideration shall be resolved by the general meeting;
- (10) to determine buyback of the Company's shares under the following circumstances:
  - 1. shares are used for employee stock ownership plan or equity incentive;
  - 2. shares are used for conversion of corporate bonds issued by the Company that are convertible into stocks;
  - 3. it is necessary for the Company to maintain its value and shareholders' interests.

In the event that the laws, regulations, and relevant rules of the securities competent authorities and stock exchanges in the place of listing of the Company's shares provide for the above matter otherwise, such provisions shall be followed.

- (11) to determine matters relating to the Company's external investment, asset acquisition and disposal, asset mortgage, external guarantee, asset management mandate, connected transaction, external donation and financial assistance; the matters, if subject to resolutions made at the general meeting under the regulations of the jurisdiction where the shares are listed, shall be approved by the Board before submitting to the general meeting for approval;
- (12) to determine the financial assistance provided by the Company for other persons to obtain the shares of the Company or its parent company, provided that the total accumulative amount of the financial assistance shall not exceed ten percent (10%) of the total issued share capital;
- (13) to determine the issuance of corporate bonds within the authorisation of the general meeting;

- (14) to determine the establishment of the Company's internal management structure;
- (15) to determine the establishment and cancellation of the Company's branches and subsidiaries, and the plans for conversion, division, reorganisation or dissolution of the Company's subsidiaries;
- (16) to determine the major income distribution plans for the Company's employees, and formulate equity incentive plan and employee stock ownership plan;
- (17) to determine the appointment or dismissal of the Company's president, the secretary of the Board, and decide on their remuneration, rewards and penalties; pursuant to the president's nominations, to determine the appointment or dismissal of senior officers including vice presidents and chief financial officer of the Company and to decide on their remuneration, rewards and penalties; and decide on the head of the internal audit institution;
- (18) to formulate the Company's basic management system;
- (19) to determine and to monitor the implementation of the Company's risk management system, including risk assessments, financial control, internal audit and legal risk control;
- (20) to formulate the proposed amendments to the Articles of Association;
- (21) to deal with information disclosures of the Company;
- (22) to formulate the Company's major accounting policies and accounting estimate change plans;
- (23) to propose to the general meeting for appointment or replacement of the accounting firms serving as the auditors of the Company;
- (24) to receive the work report submitted by the president and to review his performance;
- (25) to formulate the work report of the Board;
- (26) to exercise other duties and powers specified in the laws, administrative regulations, rules of regulatory authorities or the Articles of Association and conferred by the general meetings.

The share issuance in item (9) and the financial assistance in item (12) in the first paragraph of this Article shall be considered by the Board and passed by two-thirds (2/3) or more of all directors.

The buyback of shares in item (10) in the first paragraph of this Article shall be considered by the Board and passed by a simple majority of all directors, and two-thirds (2/3) or more of directors shall be present at the Board meeting.

The external guarantee in item (11), and the financial assistance in the first paragraph of this Article shall be considered by the Board and passed by a simple majority of all directors, and shall also be approved by two-thirds (2/3) or more of directors present at the Board meeting.

Where the Board's decisions on the share issuance or share repurchase result in change in the Company's registered capital or the number of issued shares, amendments to the relevant provisions of the Articles of Association regarding such matters shall not require further approval by the general meeting.

The Board's resolutions on the remaining matters in the first paragraph of this Article paragraph shall be passed by a simple majority of all directors unless otherwise expressly specified in the listing rules of the jurisdiction where the shares are listed or the Articles of Association.

Under necessary, reasonable and legitimate circumstances, the Board may, subject to the approval of a simple majority of all directors, authorise the chairman and the president to exercise certain duties and powers to determine the specific issues which are relevant to the matters being resolved but are unable or unnecessary to be determined immediately at a Board meeting. The Board shall be the responsible party for regulating the management of the delegation and shall not be exempted from the responsibilities stipulated in the laws, administrative regulations, state-owned assets regulatory rules and normative documents by virtue of the delegation.

**Article 117** The Board shall explain to the general meeting any non-standard audit opinions issued by the certified public accountants on the Company's financial statements.

**Article 118** The Board shall formulate the rules of procedures for the Board to ensure its implementation of the resolutions passed at the general meeting to enhance efficiency and to ensure scientific decision making.

**Article 119** In making decisions on issues such as external investment, asset acquisition and disposal, asset mortgage, external guarantee, asset management mandate, connected transaction and external donation, the Board shall establish strict examination and decision making procedures; and organise relevant experts and professionals to make assessments on major investment projects.

Prior to making decisions on material issues of the Company, the Board of Directors shall first hear the opinions of the Party Committee. When the Board appoints senior management members of the Company, the Party Committee shall consider and provide opinions on the candidates nominated by the Board of Directors or the president, or recommend nominees to the Board of Directors or the president.

**Article 120** The Chairman of the Board shall carry out the affairs of the Company and perform the following duties and powers:

- (1) to preside over general meetings and to convene and preside over board meetings;
- (2) to procure and check the execution of resolutions of board meetings;
- (3) to sign securities certificates issued by the Company;
- (4) to define the systems necessary for the operations of the Board, and to coordinate its operation;
- (5) to sign important documents of the Board and, on behalf of the Company, the legally binding important documents;
- (6) to nominate a candidate for the secretary of the Board;
- (7) to exercise special disposition power on corporate events in accordance with the laws and the Company's interests in case of force majeure or an emergency that precludes the convening of a board meeting on a timely basis, and provide post-event reports to the Board;
- (8) to exercise certain duties and powers of the Board as authorised by the Board during the intermission of board meetings;
- (9) other duties and powers under the laws and regulations and the Articles of Association;

**Article 121** The Vice Chairman shall assist the Chairman in performing his duties. If the Chairman is unable or fails to perform his duties, such duties shall be performed by the Vice Chairman (or by the Vice Chairman to be elected by more than half of all directors in the event that there are two (2) Vice Chairmen); If the Vice Chairman is unable or fails to perform his duties, one (1) director shall be elected jointly by more than half of all directors to perform such duties.

**Article 122** Board meetings include regular meetings and extraordinary meetings. The Board shall at least hold two (2) regular meeting in the first half and in the second half of each year respectively. Board meetings shall be convened by the Chairman. Notice of the meeting shall be served on all directors fourteen (14) days before the date of the meeting.

**Article 123** The Chairman of the Board shall convene and preside over an extraordinary board meeting within ten (10) days after receiving the proposal if:

- (1) it is proposed by shareholders holding more than one-tenth (1/10) of the Company's voting shares;
- (2) it is proposed by more than one-third (1/3) of the Directors or audit and risk committee;
- (3) the Chairman of the Board deems it necessary;
- (4) it is proposed by more than half of independent directors;
- (5) it is proposed by the president;
- (6) other circumstance specified in laws, administrative regulations and these Articles of Association arises.

**Article 124** The Board Office shall send the written notice of meeting bearing its seal to all directors, president and the secretary of the Board within fourteen (14) days or five (5) days respectively before a regular or extraordinary board meeting.

Where an extraordinary board meeting needs to be convened as soon as possible in emergency, the notice of meeting may be sent by telephone or by other oral means, but the convener shall make explanations at the meeting.

**Article 125** A written notice of board meeting shall at least include:

- (1) time, venue and duration of the meeting;
- (2) the form of the meeting;
- (3) matters to be considered (proposals to the meeting);
- (4) convener and chair of the meeting, the proponent of the extraordinary meeting and his written proposal;
- (5) meeting materials needed for voting of directors;

- (6) requirement for directors to attend the meeting in person or by proxy;
- (7) date on which the notice is sent, contact person and means of contact.

An oral notice of the meeting shall at least include (1) and (2) above and the explanation for the urgent convention of the extraordinary board meeting due to emergency.

**Article 126** A board meeting shall be attended by a simple majority of all directors. If the quorum of the meeting cannot be met as a result of any director's refusal to attend or absence without reasons, the Chairman and the secretary of the Board shall report to the regulatory authorities in time.

The President and the secretary of the Board, if not serving as directors concurrently, shall attend board meetings. The head of the disciplinary committee may attend board meetings. The convenor of a meeting may, if considered necessary, notify other relevant persons to attend the board meeting.

**Article 127** If a director has a connected relationship with an enterprise or individual involved in a matter of the resolutions of the Board Meeting, such director shall promptly submit a written report to the Board. Such related director may not exercise his right to vote regarding such resolution, nor may he exercise the voting right of another director as such director's proxy thereon. Such a Board meeting may be held only if more than half of the directors without a connected relationship are present, and the resolutions made at such a Board meeting shall require adoption by more than half of the directors without a connected relationship. If the Board meeting is attended by less than three (3) directors without a connected relationship, the matter shall be submitted to the general meeting for consideration.

**Article 128** Convening and voting of a meeting of the Board shall be conducted either on site or by teleconference, video conference or other means of electronic communication. An extraordinary board meeting may be held and voted by way of circulation of written resolutions, which shall be signed by the attending directors, so long as the directors are able to fully express their opinions.

**Article 129** In principle, directors shall attend board meetings in person. If a director is unable to attend the meeting in person for any reason, he shall review the meeting materials and furnish clear opinions in advance and appoint other director to attend the meeting on his behalf. The power of attorney shall set out the name of the proxy, the matters represented, scope of authorization and validity period, and shall be signed or sealed by the principal. The appointed director who attends the meeting shall exercise rights of directors within the scope of authorisation. A director failing to attend board meetings either in person or by proxy is deemed as having waived his right to vote at the meeting.



**Article 130** The decisions on the matters considered at board meetings shall be recorded as minutes, which shall be signed by the attending directors and the secretary of the Board.

The minutes of the board meetings shall be kept as archives of the Company for a period of not less than ten (10) years.

**Article 131** The board meeting minutes shall include the followings:

- (1) numbering and session, date, venue, the name of the convener and the chair of the meeting;
- (2) the names of the attending directors and the names of directors (proxies) attending the board meeting upon appointment by others;
- (3) meeting agenda;
- (4) the gist of speech of directors;
- (5) voting method and result in respect of each resolution (the voting result shall provide the number of votes of “for”, “against” or “abstain” respectively);

### **Section 3 Independent Directors**

**Article 132** An independent director shall conscientiously perform their duties and play a role in decision-making, exercising supervisory checks and balances and providing professional advice as a member of the Board pursuant to laws and administrative regulations, the provisions of the CSRC, the stock exchange(s) and the Articles of Association, thus safeguarding the overall interests of the Company and protecting the lawful interests of minority shareholders.

Independent director of the Company refers to a director who holds no position other than as a director of the Company, has no connection with the Company and its substantial shareholders (defined as shareholders severally or jointly holding five percent (5%) or more interests in total number of shares in the Company with voting rights) which might hamper his independent and objective judgment, and complies with the requirements on independence as stipulated in the rules of the stock exchange(s) on which the Company’s shares are listed.

At least one-third (1/3) of the members of the Board shall be independent directors, including at least one accounting professional. The Company shall make up for the number of independent directors as required herein to fill a vacancy due to any independent director failing to meet the requirements on independence or otherwise being found unsuitable for performing the duties as an independent director.

The term of office of independent directors is the same as other directors of the Company, renewable upon re-election at its expiry, provided that the renewed term shall not exceed six (6) years.

**Article 133** Independent directors must maintain independence. The following persons shall not serve as independent directors:

- (1) any person employed by the Company or its subsidiaries and his immediate family members and major social connections (the former refer to spouses, parents and children, and the latter refer to siblings, parents-in-law, sons/daughters-in-law, spouses of siblings, siblings of spouses, etc.);
- (2) any natural person shareholders who directly or indirectly hold one percent (1%) or more of the Company's issued shares or are among the top ten (10) shareholders of the Company and their immediate family members;
- (3) any person employed by a corporate shareholder which directly or indirectly holds five percent (5%) or more of the Company's issued shares or employed by a corporate shareholder which is among the top five corporate shareholders of the Company and his immediate family members;
- (4) any person employed by the controlling shareholders, ultimate beneficial owner of the Company and its subsidiaries and his immediate family members;
- (5) any persons providing financial, legal or, consulting or sponsorship services to the Company and its controlling shareholders, ultimate beneficial owner or their respective subsidiaries, including but not limited to all members of the project team of intermediaries, reviewing officers at all levels, persons signing the report, partners, directors, senior management and principal officers in charge;
- (6) any person which have significant business relations with the Company and its controlling shareholders, ultimate beneficial owner or their respective subsidiaries, or any person serving in the said companies and their controlling shareholders or ultimate beneficial owner;

- (7) any person who fell into to the aforesaid clauses (1) to (6) within the preceding twelve (12) months;
- (8) any other person who do not have independence as prescribed by laws, administrative regulations, the provisions of the CSRC, securities trading business rules, regulations of the jurisdiction where the shares of the Company are listed and the Articles of Association.

The subsidiaries of the controlling shareholders or ultimate beneficial owner of the Company as mentioned in the aforesaid clauses (4) to (6) shall not include an enterprise controlled by the same state-owned assets management authority as the Company and not affiliated with the Company according to the relevant provisions.

Independent directors shall conduct an annual self-examination of their independence and submit the self-examination result to the Board. The Board shall assess the independence of incumbent independent directors each year and issue special opinions thereon, which shall be disclosed together with the annual report.

**Article 134** An independent director shall have the qualifications that matches the duties he performs and meet the following requirements:

- (1) being qualified for holding the position of independent director in a listed company in accordance with the laws, administrative regulations and other relevant requirements;
- (2) complying with the independence requirements stipulated in the Articles of Association. performing duties independently and not being affected by any of substantial shareholders and ultimate beneficial owner of the Company or any other entity or individual that is materially interested in the Company;
- (3) having basic knowledge on operation of listed companies and familiar with the relevant laws, administrative regulations and rules;
- (4) having at least five (5) years of work experience in legal, accounting or economic areas or other experience indispensable for performing the duties as an independent director;
- (5) having a good personal morality without any material dishonesty and other negative records;
- (6) ensuring sufficient time and energy to effectively perform the duties as an independent director;

- (7) having obtained the qualification certificate for independent directorship as required by the applicable regulations of the jurisdiction where the shares are listed;
- (8) other conditions provided in laws, administrative regulations, the provisions of the CSRC, business rules of the stock exchange(s), regulations of the jurisdiction where the shares of the Company are listed and the Articles of Association.

**Article 135** Independent directors, as members of the Board, shall bear fiduciary and diligent duties to the Company and all shareholders, and prudently perform the following duties:

- (1) to participate in the decision-making of the Board and express explicit opinions on matters discussed;
- (2) to supervise the potential major conflicts of interest between the Company and its controlling shareholders, ultimate beneficial owner, directors and senior management, and protect the lawful interests of minority shareholders;
- (3) to provide professional and objective advice on the Company's business development, and promote the improvement of the decision-making level of the Board;
- (4) other duties stipulated by laws, administrative regulations, the provisions of the CSRC and the Articles of Association.

**Article 136** Independent directors shall exercise the following special duties and powers:

- (1) to engage an intermediary institution for auditing, consultation or verification on specific matters of the Company;
- (2) to propose to the Board for the convening of extraordinary general meeting;
- (3) to propose the convening of Board meetings;
- (4) to publicly solicit shareholders' rights from shareholders in accordance with the law;
- (5) to express independent opinions on matters that may jeopardize the rights and interests of the Company or minority shareholders;
- (6) to propose to the Board for the appointment or dismissal of accounting firms;
- (7) other duties and powers stipulated by laws, administrative regulations, the provisions of the CSRC and this chapter.

In the event that independent directors exercise any of the duties and powers listed in the aforesaid clauses (1) to (3), the exercise of such duties and powers shall be subject to the approval of a simple majority of all the independent directors.

The Company shall disclose in a timely manner if independent directors exercises the duties and powers listed in the aforesaid category (1). In the event that any of the aforesaid duties and powers cannot be exercised properly, the Company shall disclose the specific circumstances and reasons thereof.

**Article 137** The following matters shall be submitted to the Board for consideration after being approved by a simple majority of all the independent directors of the Company:

- (1) related party transactions that should be disclosed;
- (2) the plans for changes in or waivers of commitments by the Company and related parties;
- (3) decisions made and measures taken by the Board of the acquired listed company in relation to the acquisition;
- (4) other matters as prescribed by laws, administrative regulations, the provisions of the CSRC and the Articles of Association.

**Article 138** The Company shall establish a mechanism for special meetings which will be attended by independent directors only. Matters such as related parties transactions to be reviewed by the Board shall be approved in advance by a special meeting of the independent directors.

The Company shall convene special meetings of the independent directors on a regular or ad hoc basis. Matters specified in clauses (1) to (3) under the first paragraph of Article 136 and in Article 137 hereof shall be considered by a special meeting of the independent directors.

The special meetings of the independent directors may consider and discuss other matters of the Company when necessary.

The special meetings of the independent directors shall be convened and chaired by one (1) independent director nominated by a simple majority of the independent directors; in the event that the convener does not perform his/her duties or he/she is unable to perform his/her duties, two (2) and more independent directors can convene a meeting on their own and nominate one (1) representative to chair the meeting.

The special meetings of the independent directors shall prepare minutes of meetings in accordance with regulations. The minutes of meetings shall record the opinions of the independent directors. The independent directors shall sign and confirm the minutes of meetings.

The Company shall facilitate and support the convention of the special meetings of the independent directors.

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

**Article 139** The Board of the Company shall set up special committees including the audit and risk committee, the strategy and investment and ESG committee, the remuneration and review committee and the nomination committee. The special committees shall perform their duties as granted by the Articles of Association and the Board, and their proposals shall be submitted to the Board for consideration and approval. The Board is responsible for formulating the working procedures of the special committees.

Independent directors shall be the majority in the audit and risk committee, remuneration and review committee and nomination committee and shall act as chairman of those committees' meetings.

**Article 140** The audit and risk committee shall exercise the duties and powers of the supervisory committee as stipulated in the Company Law. The audit and risk committee shall consist at least three (3) directors who hold no senior management positions in the Company, and employee directors may become members of the audit and risk committee. The chairman of the committee meeting shall be an accounting professional among independent directors.

**Article 141** The audit and risk committee is responsible for reviewing the Company's financial information and its disclosures, supervising and evaluating the internal and external audits and internal controls. The following matters shall be submitted to the Board for consideration after the approval by a majority of all members of the audit and risk committee:

- (1) disclosure of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;
- (2) appointment or dismissal of the accounting firm that undertake the Company's auditing business;
- (3) appointment or dismissal of the Company's chief financial officer;

- (4) changes in accounting policies, accounting estimates or correction of material accounting errors for reasons other than changes in accounting standards;
- (5) other matters as provided by laws, administrative regulations, the provisions of the CSRC, regulations of the jurisdiction where the shares of the Company are listed and the Articles of Association.

**Article 142** The audit and risk committee shall hold at least one (1) meeting every quarter, and may hold an extraordinary meeting when two (2) or more members propose, or when the chairman deems it necessary. The quorum of the meeting of the audit and risk committee shall be more than two-thirds (2/3) of the members are present.

Decisions made by the audit and risk committee shall be approved by more than half of the members of the audit and risk committee.

When voting on the resolution of the audit and risk committee, each member shall have a ballot of voting right.

The audit and risk committee shall prepare meeting minutes for its resolutions in accordance with the regulations, and the members of the audit and risk committee attending the meeting shall sign on the meeting minutes.

The Board is responsible for formulating the working procedures of the audit and risk committee.

**Article 143** The strategy and investment and ESG committee is responsible for studying corporate development strategies, plans and investment decision-making, and make recommendations to the Board on the following matters:

- (1) to make recommendations on corporate development strategies and mid-to-long term development plans;
- (2) to make recommendations on the proposal for increases or reductions of the Company's registered capital, issuance of corporate bonds, merger, division and dissolution and;
- (3) to make recommendations on the development initiatives of new markets and businesses;
- (4) to make recommendations on the Company's material business restructuring, external acquisition, merger and disposal of assets, material organisational restructuring and adjustment proposals that are subject to the approval of the Board;

- (5) to review the Company's annual operation plans and investment plans and make recommendations on the Company's material plans on investments, financing that are subject to the approval of the Board;
- (6) to formulate and review the Company's ESG strategies and practices and make recommendations on the Company's annual ESG report;
- (7) other matters as provided by laws, administrative regulations, the provisions of the CSRC, regulations of the jurisdiction where the shares of the Company are listed and the Articles of Association.

**Article 144** The nomination committee shall be responsible for drawing up selection criteria and procedures of directors and senior management members, selecting and reviewing the candidates for directors and senior management members and their qualifications, and making recommendations to the Board on the following matters:

- (1) nomination, appointment or dismissal of directors;
- (2) appointment or removal of senior management members;
- (3) other matters as provided by laws, administrative regulations, the provisions of the CSRC, regulations of the jurisdiction where the shares of the Company are listed and the Articles of Association.

The Board shall record and disclose in its resolutions the opinion of the nomination committee and the specific reasons for not adopting or fully adopting the recommendations of the nomination committee.

**Article 145** The remuneration and assessment committee under the Board is responsible for formulating the assessment criteria for directors and senior management members, conducting assessments, formulating and reviewing the remuneration policies and plans for directors and senior management members. The committee shall make recommendations to the Board on the following matters:

- (1) the remuneration of directors and senior management members;
- (2) the formulation or amendment of equity incentive plans, employee stock ownership plans, and the granting of rights to incentive recipients and the achievement of conditions for the exercise of such rights by incentive recipients;



- (3) the arrangement of stock ownership plans for directors and senior management members in the event of a proposed spin-off of a subsidiary;
- (4) other matters as provided by laws, administrative regulations, the provisions of the CSRC, regulations of the jurisdiction where the shares of the Company are listed and the Articles of Association.

The Board shall record and disclose in its resolutions the opinion of the remuneration and assessment committee and the specific reasons for not adopting or fully adopting the recommendations of the remuneration and assessment committee.

## **Chapter 7 Senior Management Members**

**Article 146** The Company shall have one (1) president, several vice presidents and one (1) chief financial officer who shall be appointed or removed by the Board.

Vice presidents and chief financial officer shall assist the president's work and report to the president.

A director may serve as the president or a vice president concurrently.

**Article 147** Articles hereof in relation to the circumstances in which a person shall not act as a director shall apply to the senior management members.

Articles hereof in relation to the fiduciary duties and diligent duties of directors shall apply to the senior management members.

**Article 148** Persons assuming offices other than director in the controlling shareholder or in the ultimate beneficial owner of the Company shall not serve as senior management members of the Company.

Senior management members of the Company only receive salaries from the Company and the controlling shareholder shall not pay salaries thereto on behalf of the Company.

**Article 149** The term of office of president is three (3) years, renewable upon re-election. The term of office of other senior management members is three (3) years, renewable upon re-election.

**Article 150** The president shall be accountable to the Board and perform the following duties and powers:

- (1) to be in charge of the Company's production, operation and management, to organize the implementation of the resolutions of the Board, and to report to the Board;
- (2) to organise the implementation of the Company's annual business plans and investment and financing schemes;
- (3) to draft plans for the establishment of the Company's internal management structure;
- (4) to draft the Company's basic management system;
- (5) to formulate specific rules and regulations of the Company;
- (6) to propose to the Board for appointment or removal of senior management members such as the Company's vice presidents and chief financial officer;
- (7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board;
- (8) to prepare the Company's annual financial budget and final accounts, and make recommendations to the Board;
- (9) to draft plans for the establishment of the Company's branches;
- (10) to draft the plans for conversion, division, reorganisation or dissolution of the Company's subsidiaries;
- (11) to formulate the salary level and distribution plan for employees of the Company;
- (12) other duties and powers conferred by the Articles of Association and the Board.

The president shall hear the opinions of the Party Committee of the Company in advance for study and decision on material issues in relation to the production, operation and management of the Company.

**Article 151** The president shall formulate the work rules, subject to the approval by the Board before implementation.

**Article 152** The work rules for the president shall include the following:

- (1) conditions, procedures and participants of the president's meetings;
- (2) specific duties and the assignment of responsibility for the president and other senior management members;
- (3) usage of capital and assets, authorities to enter into major contracts, and the systems for reporting to the Board;
- (4) other matters deemed as necessary by the Board.

**Article 153** The president may request to resign before expiry of his terms of office. The procedures and formalities of such resignation shall be governed by the employment contract between the president and the Company.

**Article 154** The Company shall have one (1) secretary of the Board, who shall be responsible for the preparation and documentation of general meetings and Board meetings of the Company, as well as the information management of the Company's shareholders, information disclosure matters and other matters.

The secretary to the Board shall abide by the relevant provisions of laws, administrative regulations, department rules and the Articles of Association.

A director or other senior management member may also serve as the secretary of the Board. An accountant of the accounting firm appointed by the Company shall not act as the secretary of the Board.

Where a director concurrently acts as the secretary of the Board, and in the event an action shall be done by a director and the secretary of the Board separately, the person who holds the offices of director and the secretary of the Board shall not act in dual capacity.

**Article 155** The tasks and duties of the secretary of the Board shall be as follows:

Its tasks mainly including:

- (1) to ensure that the Company has complete organisational documents and records, to assist directors to deal with daily work of the Board, to continuously provide directors with, remind them of, and ensure that they are informed of, laws, regulations, policies and requirements of both domestic and overseas regulatory authorities concerning the Company's operations, and to assist directors and the president to follow domestic and overseas laws and regulations, the Articles of Association and any other relevant regulations in performing their duties and powers;
- (2) to be responsible for the organisation and preparation of documents for board meetings and general meetings, to take meeting minutes, to ensure that the decision-making at meeting is in conformity with statutory procedures, and to keep informed of the progress of implementation of resolutions of the Board;
- (3) to be responsible for the organisation and coordination of information disclosure to enhance the transparency of the Company;
- (4) to well handle the Company's relationship with intermediaries, regulatory authorities and the press as well as public relations.

The major duties of the secretary of the Board are:

- (1) to organise and prepare for board meetings and general meetings, prepare meeting materials, arrange for meeting affairs, take minutes of meeting and ensure their accuracy, keep meeting documents and minutes, and proactively monitor the progress of implementation of relevant resolutions; to report any important issues during the implementation to the Board and make recommendations;
- (2) to ensure significant matters decided by the Board to be carried out strictly in accordance with the procedures stipulated; at request of the Board, to participate in and arrange consultation and analysis of the matters to be resolved by the Board and propose relevant opinions and recommendations; to handle the day-to-day affairs of the Board and its committees as entrusted;
- (3) to act as the liaison officer of the Company with securities regulatory authorities; to be responsible for organising, preparation and timely submission of the documents required by regulatory authorities as well as accepting and organising the implementation of the assignments from regulatory authorities;

- (4) to coordinate and organise the Company's information disclosure, establish and improve the information disclosure system, participate in all meetings involving information disclosure of the Company, and keep informed of the Company's major operation decisions and related information in a timely manner;
- (5) to keep confidential the Company's price-sensitive information and establish effective confidentiality systems and measures; to take necessary remedial measures such as explanation and clarification in a timely manner in case of any divulgence of the Company's price-sensitive information due to any reason, and notify the regulatory authorities in overseas jurisdictions where the shares of the Company are listed and the CSRC;
- (6) to coordinate reception of visitors, maintain relationship with the media, coordinate replies to enquiries from the public, and take care of the reports to the CSRC;
- (7) to ensure that the Company's register of members is properly maintained, and that the persons entitled to access to the relevant records and documents are furnished with such records and documents timely;
- (8) to assist directors and the president performing their duties and powers in full compliance with the domestic and foreign laws, regulations, the Articles of Association and other relevant provisions; upon knowing the Company passing or likely to pass a resolution in violation of relevant provisions, to be obliged to give timely reminder and have the right to faithfully report the fact to the CSRC and other regulatory authorities;
- (9) to coordinate the provision of necessary information to other supervising bodies of the Company, and assist in the investigations on whether the Company's chief financial officer, directors and the president have acted in good faith in performing their duties;
- (10) to perform other duties and powers as conferred by the Board and as required by the laws of the jurisdictions where the Company's shares are listed.

**Article 156** If the senior management causes damage to others in the course of performing his/her duties for the Company, the Company shall be liable for damages; if the senior management acts with willful misconduct or gross negligence, he/she shall also be personally liable for damages.

If the senior management violates the laws, administrative regulations, department rules or breaches the Articles of Association in the course of performing duties, which causes losses to the Company, the senior management shall be liable for damages.

**Article 157** The senior management of the Company shall perform his/her duties faithfully and protect the best interests of the Company and all shareholders.

Any senior management of the Company who fails to faithfully perform his/her duties or violate his/her fiduciary duties and as a result, causes damage to the interests of the Company and the public shareholders shall be liable for compensation in accordance with the laws.

## **Chapter 8 Financial Accounting System and Distribution of Profits**

### **Section 1 Financial Accounting System**

**Article 158** The Company formulates its financial accounting system in accordance with the laws, administrative regulations and requirements of the relevant authorities of the PRC.

**Article 159** The Company shall deliver and disclose its annual reports to the branch organizations of the China Securities Regulatory Commission (“CSRC”) and the stock exchange within four (4) months from the conclusion of each accounting year. It shall deliver and disclose its interim reports to the branch organizations of the CSRC and the stock exchange within two (2) months from conclusion of the first half of each accounting year.

The aforementioned annual reports and interim reports shall be compiled in accordance with the requirements of relevant laws, administrative regulations, CSRC and stock exchange.

**Article 160** Save for the statutory books of account, the Company will not maintain other books of account. Funds of the Company shall not be maintained by any account opened in the name of an individual.

**Article 161** The Company shall allocate ten percent (10%) of its profits to the statutory reserve of the Company when distributing its after-tax profits for the year, provided that no further appropriation is required if the accumulated statutory reserve exceeds fifty percent (50%) of the registered capital of the Company.

If the statutory reserve of the Company is insufficient to make up for the losses brought forward from the previous year, profits for the current year shall be applied to make up for such losses before making allocations to the statutory reserve in accordance with the aforementioned requirement.

Upon allocation of the after-tax profits to the statutory reserve, the Company may allocate a part of the after-tax profits to the discretionary reserve as approved by a resolution passed at the general meeting.

Upon making up for the losses incurred and allocating to the statutory reserve, the balance of after-tax profits should be distributed to the Shareholders in proportion to their shareholding.

If the Company Law is violated at the general meeting where the Company distributes profits to the Shareholders, the Shareholders shall return to the Company the profits distributed as a result of violation of the regulations; where any loss is caused to the Company, the shareholders and the responsible directors and senior management shall be liable for compensation.

The shares of the Company owned by the Company shall not form part of the profits distribution.

Dividends shall be distributed on the basis of the after-tax distributable profit, which shall be the smaller one of the following two figures:

- (1) the aggregate amount of after-tax distributable profit in the financial report audited by an accounting firm in accordance with the PRC accounting standards;
- (2) the aggregate amount of after-tax distributable profit in the financial report based on the audited financial report prepared in accordance with the PRC accounting standards and adjusted in accordance with international accounting standards or accounting standards of the place where the main overseas public offering occurs.

**Article 162** The Company will implement a sustainable and stable profit distribution policy so as to place emphasis on the reasonable investment return to the investors while securing the sustainable development of the Company.

- (1) Form of profit distribution: the Company shall distribute dividends in the form of cash, stocks, or a combination of cash and stocks.
- (2) Conditions for cash dividends: except prescribed otherwise by the Articles of Association, the Company shall first distribute dividends in cash when the Company makes a profit and the accumulated undistributed profit is positive in the current year. The profit distributed to the ordinary Shareholders in cash by the Company for each year shall not be less than ten percent (10%) of the distributable profit available for ordinary Shareholders realized in such year.

If the abovementioned conditions for cash dividends are met, the Company in principle shall distribute cash dividends once a year, and the Company's Board of Directors can propose the Company a plan to enhance the predictability of profit distribution based on the Company's profitability and capital demand.

- (3) Adjust the profit distribution policy, including adjust the cash dividend policy: in accordance with its production and operation situation, investment planning and long-term development requirements, in the event of actual necessity for the Company to adjust the profit distribution policy or/and the cash dividend policy, the Board shall make detailed demonstration and explain the reasons, and the independent directors may seek advice from minority shareholders. Any resolution on adjusting the profit distribution policy (especially those regarding the cash dividend policy) as prescribed by the Articles of Association for consideration at the general meeting shall be adopted by more than two-thirds (2/3) of the voting rights held by the shareholders present at the general meeting.
- (4) When the Company encounters the following situations, it may choose not to make profit distribution:
  1. the asset-liability ratio of the Company exceeds 80%;
  2. the net operating cash flows of the Company is negative or cannot satisfy the needs for the normal operation and sustainable development of the Company/ the turnover days of accounts receivable exceed 200 days and the turnover days of inventories exceed 220 days;
  3. the Company has major investment plans or significant cash expenditures (excluding fund-raising projects). Major investment plan or capital expenditure refers to the circumstance in which the Company's accumulated capital expenditure for intended external investment and asset acquisition within the following 12 months reaches or exceeds 30% of the audited net assets in the most recent period;
  4. the closing balance of accumulated undistributed profit or the distributable profit for current period of the Company is negative;
  5. the audit report for the most recent year is issued with qualified opinion or with an unqualified opinion in connection with paragraphs regarding material uncertainties on the ability of the Company to continue as a going concern;
  6. other circumstances prescribed by laws and regulations.



- (5) Payment of dividend: Cash dividends and other payments made by the Company to the holders of domestic shares shall be made in RMB. Cash dividends and other payments made by the Company to the holders of overseas listed foreign shares are denominated and declared in RMB and paid in foreign currency, the exchange rate should refer to the exchange rate of middle trading price of RMB announced by the People's Bank of China to the relevant foreign currency on the same date as the dividends and other payments are declared.

In accordance with the tax laws in the PRC, when distributing dividends to the Shareholders, the Company shall withhold and remit taxes payable for such dividend income of the Shareholders according to the amount distributed.

**Article 163** Upon a resolution on the profit distribution proposal is passed at the general meeting, or after the Directors of the Company have formulated a specific plan in accordance with the conditions and upper limit of the next year's proposed dividend distribution as considered and approved by the annual general meeting, the distribution of dividends (or shares) shall be completed within two months after the general meeting.

**Article 164** The common reserve of the Company is used to make up for the losses of the Company, expand the business operation of the Company or increase the registered capital of the Company.

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

Upon transfer from the statutory reserve to the increase of registered capital, the remainder of such reserve shall not be less than twenty-five percent (25%) of the registered capital of the company before such transfer takes effect.

## **Section 2 Internal Audit**

**Article 165** The Company maintains an internal audit system, which specifies the leadership system, responsibilities and authorities, staffing, funding security, use of audit results, and accountability in relation to internal audit work.

The internal audit institution should be independent and staffed by professional audit personnel performing supervision and inspection on the business activities, risk management, internal control, financial information and other matters of the Company.

**Article 166** The internal audit institution of the Company supervises and inspects the Company's business activities, risk management, internal control, financial information and other matters.

**Article 167** The internal audit institution is accountable to the Board, and the head of audit shall be accountable and report to the Board.

The internal audit institution shall be subject to the supervision and guidance of the audit and risk committee in the course of its supervising and inspecting the Company's business activities, risk management, internal control and financial information. The internal audit institution shall immediately report directly to the audit and risk committee upon discovering any relevant major issues or leads.

**Article 168** The Company shall specifically organize and implement the internal control evaluation work, and issue the annual internal control evaluation reports based on evaluation reports and relevant materials deliberated by the audit and risk committee.

**Article 169** When the audit and risk committee communicates with external audit firms such as accounting firms and national audit agency, the internal audit body shall actively cooperate and provide necessary support and collaboration.

**Article 170** The audit and risk committee is involved in the appraisal of the head of internal audit.

### **Section 3 Engagement of Accounting Firms**

**Article 171** The Company shall engage an independent accounting firm which is qualified under the relevant regulations of the PRC to conduct accounting statement audit, net asset verification and other related consulting services. The engagement period is one (1) year, and can be renewed. The engagement shall be effective from the date of approval by the general meeting of the Company until the approval on the engagement of new accounting firm by the next general meeting.

Notwithstanding the terms and conditions of the contract between the accounting firm and the Company, the engagement of the accounting firm may be terminated prior to the expiry of its term at a general meeting by an ordinary resolution. If the relevant accounting firm has the right to make claims against the Company on account of the termination, such right will not be prejudiced in this regard.

**Article 172** The engagement and dismissal of an accounting firm by the Company shall be submitted to the Board for deliberation and determined at a general meeting after being approved by more than half of all members of the audit and risk committee, and the Board shall not engage an accounting firm before any resolution adopted at a general meeting.

**Article 173** The Company shall ensure the provision of true and complete accounting evidence, books of account, financial and accounting reports and other accounting data to the accounting firm engaged by it, and no refusal, withholding and false information are allowed.

**Article 174** Remuneration of the accounting firm or the manner in which such firm is remunerated shall be decided upon by the general meeting.

**Article 175** If the Company intends to terminate or cease to renew the engagement of an accounting firm, a prior notice of ten (10) days shall be given to the accounting firm. The accounting firm shall be allowed to make a statement when the general meeting votes on dismissing the accounting firm.

Where the accounting firm tenders resignation, it shall explain to the general meeting whether there are any improper practices of the Company.

## **Chapter 9 Notices and Announcements**

### **Section 1 Notices**

**Article 176** Notices of the Company may be issued by the following methods:

- (1) by hand;
- (2) by post;
- (3) by announcement;
- (4) by telephone;
- (5) by designated electronic communication system of the Company;
- (6) by any other means approved by the relevant regulatory authorities of the place of Listing or required by these Articles of Association.

The designated electronic communication system of the Company includes but is not limited to email, electronic office management system, and other instant communication tools approved by the Board.

**Article 177** Any notices of the Company which are made in the form of a public announcement shall be deemed to have been received by all relevant persons once it is published.

**Article 178** The notice of general meetings of the Company shall be sent by announcements.

**Article 179** The notice of board meetings of the Company shall be sent by designated electronic communication system of the Company and/or by telephone.

**Article 180** For notices of the Company delivered by hand, an acknowledgement of receipt shall be signed (or stamped) by the recipient and the date of delivery shall be the date on which the acknowledgement is signed; for notices delivered by post, the date of delivery shall be the third (3rd) working day from the mail is delivered to the post office; and for notices delivered by way of announcements, the date of delivery shall be the date of first (1st) publication.

**Article 181** The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting and the resolution adopted thereat.

## **Section 2 Announcements**

**Article 182** The Company must publish its announcements on designated websites, media, and newspapers in accordance with relevant regulatory requirements of the place where it listed.

## **Chapter 10 Merger, Division, Capital Increase, Capital Reduction, Dissolution and Liquidation**

### **Section 1 Mergers, Divisions Capital Increase, and Capital Reduction**

**Article 183** The Company's merger may take place in the form of merger by absorption or new merger.

The absorption by one company of one or more other companies shall be merger by absorption, in which case the absorbed company or companies shall be dissolved. The merger of two or more companies and establishment of a new company shall be merger by new establishment, in which case the parties to the merger shall be dissolved.

**Article 184** Where the price paid by the Company for combination is no more than ten percent (10%) of the Company's net assets, the combination may be made without resolutions of the general meeting, except as otherwise set forth herein.

When the Company merges with a company in which it holds more than ninety percent (90%) of the shares, the merged company is not required to pass a resolution at the general meetings, but it shall notify its other shareholders. Other shareholders shall have the right to request the Company to purchase their equity interests or shares at a reasonable price.

Where the Company makes business combination without general meeting resolutions according to the two preceding provisions, the Board resolutions shall be required.

**Article 185** As far as mergers are concerned, parties to the merger shall sign a merger agreement, and prepare the balance sheet and a list of property. The Company shall notify its creditors within ten (10) days, and make an announcement on the merger on the newspapers prescribed by the stock exchange(s) on which shares of the Company are listed or the National Enterprise Credit Information Publicity System within thirty (30) days, from the date of passage of the resolution on the merger. Creditors may, within thirty (30) days upon receipt of the notification, (or for creditors who have not received such notification, within forty-five (45) days after the date of announcement), request the Company to make repayments or provide corresponding guarantees in respect of its indebtedness.

**Article 186** Upon merger of the Company, the subsisting company after the merger or a newly-established company shall succeed to the creditors' rights and indebtedness of parties to the merger.

**Article 187** As far as divisions are concerned, property of the Company shall be split up accordingly.

Upon division, the balance sheet and a list of property shall be prepared. The Company shall notify its creditors within ten (10) days, and make an announcement on the division on the newspapers prescribed by the stock exchange(s) on which shares of the Company are listed or the National Enterprise Credit Information Publicity System within thirty (30) days, from the date of passage of the resolution on the division.

**Article 188** The indebtedness of the Company prior to the division shall be jointly borne by the demerged companies unless otherwise agreed between the Company and its creditors under a written agreement in relation to the settlement of debts prior to the division.

**Article 189** The Company shall prepare a balance sheet and a property list for the reduction of its registered capital.

The Company shall notify the creditors within ten (10) days from the date of making a resolution on the reduction of registered capital by general meeting, and make an announcement within thirty (30) days on the newspapers approved by the stock exchange of the place of listing of the Company or the National Enterprise Credit Information Publicity System. The creditors shall have the right to require the Company to pay off debts or provide a guarantee accordingly within thirty (30) days from the date of receiving the notice or within forty-five (45) days from the date of making the announcement in case they have not received such notice.

When the Company reduces its registered capital, it shall reduce the amount of capital contributions or shares in proportion to the shareholders' shareholdings, unless otherwise stipulated in the laws or the Articles of Association.

**Article 190** If the Company still has losses after making up for them in accordance with the provisions of paragraph 2 of Article 164 of the Articles of Association, it may reduce its registered capital to make up for such losses. Where the registered capital is reduced to make up for losses, the Company shall not make distributions to shareholders, nor shall it exempt shareholders from their obligations to make capital contributions or pay for shares.

Where the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of paragraph 2 of the previous Article shall not apply. However, the Company shall announce the reduction on the newspapers approved by the stock exchange of the place of listing of the Company or the National Enterprise Credit Information Publicity System within thirty (30) days from the date on which the general meeting passes a resolution to reduce the registered capital.

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

**Article 191** If the registered capital is reduced in violation of the Company Law or other relevant regulations, shareholders shall return the funds received, and any reduction or exemption of shareholders' capital contributions shall be restored to their original status; in case of losses caused to the Company, shareholders and responsible directors and senior management officers shall be liable for compensation.

**Article 192** When the Company issues new shares to increase its registered capital, shareholders do not have preemptive rights, unless otherwise stipulated in the requirements of the Articles of Association or granted by the resolution of the general meeting.

**Article 193** In the case that merger or division of the Company results in any changes in registered particulars, modifications of registration shall be completed with the company registration authority according to law; in the case of dissolution, the deregistration shall be made according to law; in the case of the establishment of a new company, the registration of incorporation shall be made according to law.

In the case that the Company increase or reduce its registered capital, modifications of registration shall be completed with the company registration authority according to law.

## **Section 2 Dissolution and Liquidation**

**Article 194** The Company will be dissolved if:

- (1) a resolution on dissolution has been passed at a general meeting;
- (2) The Company has to be dissolved as a result of its merger or division;
- (3) Bankruptcy is declared according to law because of any failure to settle any mature debts;
- (4) The business license has been cancelled or the Company has been ordered to close down its operations, or it has been wound up;
- (5) A shareholder who holds more than ten percent (10%) of the voting rights may petition the people's court to dissolve the Company on the basis that there are serious difficulties in the operation and management of the Company whose subsistence will significantly jeopardize the shareholders' interests and that such difficulties cannot be resolved by any other means.

If the Company encounters the cause of dissolution as stipulated in the preceding paragraph, it shall announce the reasons of dissolution through the National Enterprise Credit Information Publicity System within ten (10) days.

**Article 195** Where the situation set forth in Item (1) or (2) of Article 194 of these Articles of Association occurs, the Company may continue to exist by amending these Articles of Association or through a general meeting resolution if properties have not yet been distributed to shareholders.

Amendments to these Articles of Association or the general meeting resolution in accordance with preceding paragraph shall be passed by a vote representing two-thirds (2/3) or more of the voting rights of the shareholders present at the general meeting.

**Article 196** If the Company is dissolved pursuant to Items (1), (2), (4) and (5) of Article 194 hereof, the Company shall go into liquidation, and the directors shall be the liquidation obligors, and a liquidation team shall be formed to start the liquidation within fifteen (15) days from the date on which the causes for dissolution arise.

The liquidation team shall be composed of the personnel designated by directors or at a shareholders' general meeting.

If the liquidation obligors fail to fulfill their liquidation obligations in a timely manner and cause losses to the Company or creditors, they shall be liable for compensation.

If the Board of Directors decides to liquidate the Company (except for liquidation owing to the Company's declaration of bankruptcy), the Board of Directors shall state in the notice of the general meeting to be convened for this purpose that the Board of Directors has made an overall investigation into the situation of the Company and it considers that the Company may fully discharge its liabilities within twelve (12) months from the commencement of the liquidation.

After a resolution on the liquidation has been passed at the general meeting, the functions and powers of the Board of Directors of the Company shall be terminated forthwith.

The liquidation team shall follow the instructions from the general meeting, report to the general meeting liquidation at least once (1) a year on the income and expenditure of the liquidation team as well as the Company's business and progress in the, and make the final report to the general meeting upon completion of the liquidation.



**Article 197** The liquidation team shall exercise the following functions and powers during the course of liquidation:

- (1) To sort out the Company's property and prepare the balance sheet and a list of property;
- (2) To make notices and announcements to creditors;
- (3) To dispose of and liquidate the outstanding business of the Company;
- (4) To pay the outstanding taxes and taxes incurred during the course of liquidation;
- (5) To settle all creditors' rights and indebtedness;
- (6) To allocate the Company's residual assets after the settlement of its liabilities;
- (7) To attend any civil proceedings on behalf of the Company.

**Article 198** The liquidation team shall notify creditors within ten (10) days, and make announcements on the newspapers prescribed by the stock exchange where the Company is listed or the National Enterprise Credit Information Publicity System within sixty (60) days, from the date of formation. Creditors shall report its claims to the liquidation team within thirty (30) days after the date of receipt of the notice, or within forty-five (45) days after the date of the announcement if no notice is received.

In reporting a claim, a creditor shall explain the relevant particulars of its claim and provide supporting materials. The liquidation team shall register the claim.

During the period of reporting claims, the liquidation team shall make no settlement with creditors.

**Article 199** After the Company's property has been sorted out and the balance sheet and a list of property have been prepared, the liquidation team shall formulate a proposal for liquidation and report the same to the general meeting or the people's court for confirmation.

The residual property after the respective settlement of the liquidation expenses, staff wages, social insurance expenses and statutory compensation, the payment of taxes in arrears and the discharge of the Company's liabilities shall be distributed to shareholders in proportion to their shareholding.

During the period of liquidation, the Company shall subsist, but dose not carry on any operating activities that are not related to the liquidation.

The property of the Company shall not be distributed among the shareholders before the completion of the settlements as provided for in the preceding article.

**Article 200** The liquidation team shall apply to the people's court for the bankruptcy liquidation according to law if they find that the Company's property is insufficient to settle its indebtedness after the Company's property has been sorted out and the balance sheet and a list of property have been prepared.

After the people's court accepts the application for bankruptcy, the liquidation team shall transfer the liquidation affairs to the bankruptcy administrator designated by the people's court.

**Article 201** After the completion of the liquidation of the Company, the liquidation team shall prepare a liquidation report and submit the same to a general meeting or the people's court for confirmation and then filed the same with the company registration authority for the purpose of applying for the deregistration of the Company.

**Article 202** The members of the liquidation team shall fulfill the liquidation duties and have the duty of faith and diligence.

Where a member of the liquidation committee causes loss to the Company by reason of gross negligence in performing liquidation duties, he/she shall be liable for damages; and shall be responsible for compensation should he, deliberately or due to major negligence, bring losses to the Company or to a creditor.

**Article 203** In the event that the Company is legally declared insolvent, insolvent liquidation shall be carried out pursuant to the relevant regulations on enterprise insolvency.

## **Chapter 11 Amendments to Articles of Association**

**Article 204** The Company shall amend the Articles of Association under any of the following circumstances:

- (1) Following amendments to the Company Law or the relevant laws or administrative regulations, any provisions of the Articles of Association contravene the amended laws or administrative regulations;
- (2) Any changes in the Company are inconsistent with the provisions of the Articles of Association;
- (3) Amendments to the Articles of Association are resolved at a general meeting.

**Article 205** Any amendments to the Articles of Association passed by a resolution at a general meeting shall be filed with the competent authorities for approval if it is so required; and if an amendment is relevant to any registration items of the Company, modifications of the registration shall be completed according to law.

**Article 206** Amendments to the Articles of Association shall be made by the Board of Directors in accordance with a resolution tabled at a general meeting on amendments to the Articles of Association and opinions of the relevant competent authorities on review and approval.

**Article 207** Information on the amendments to the Articles of Association shall be disclosed as required by the laws and regulations and shall be announced in accordance with the rules.

## **Chapter 12 Special Requirements for Class Shareholders**

### **Section 1 General Requirements for Class Shareholders**

**Article 208** Shareholders holding shares that are a different class of shares shall be class shareholders holding that class of shares. Class shareholders shall enjoy rights and undertake obligations in accordance with laws, administrative regulations and the provisions hereof.

**Article 209** In the event that the Company intends to alter or abolish the rights of class shareholders, such alteration or abolition may only be made after it is passed by special resolution at a general meeting, and at shareholders' meetings respectively convened by affected class shareholders.

In the event that any changes in the domestic and foreign laws, administrative regulations and the listing rules of the place of listing as well as any decisions made by domestic and foreign regulators according to law result in any alteration or abolition of the rights of class shareholders, approval of a general meeting or class meeting shall not be required.

**Article 210** The following scenarios shall be deemed as alteration or abolition of the rights of a class shareholder:

- (1) increase or decrease the number of shares of that class, or increase or decrease the number of shares of a class entitled to equal or more voting rights, distribution rights and other privileges as the shares of that class;
- (2) change all or part of the shares of that class to the shares of another class, or change all or part of the shares of another class to the shares of that class or grant the conversion rights thereto;
- (3) cancel or reduce the rights owned by the shares of that class to acquire the accrued dividends or cumulative dividends;
- (4) reduce or cancel the rights owned by the shares of that class to the priority to obtain dividends or the distribution of property during the liquidation of the Company;
- (5) increase, cancel or reduce the share conversion rights, options, voting rights, transfer rights, priority placement rights and the rights to obtain securities of the Company owned by the shares of that class;
- (6) cancel or reduce the rights owned by the shares of that class to receive payables from the Company in a particular currency;
- (7) establish a new class entitled to equal or more voting rights, distribution rights or other privileges as the shares of that class;
- (8) impose restrictions on or increase such restrictions on the transfer or ownership of the shares of that class;
- (9) issue share options or share conversion rights in respect of the shares of that or another class;
- (10) increase the rights and privileges of the shares of other classes;
- (11) a corporate restructuring programme constitutes the unproportionate distribution of responsibilities undertaken by the shareholders of different classes in the restructuring;
- (12) modify or repeal the clauses hereof.

## **Section 2 Special Requirements for Preference Shares**

**Article 211** The issued preference shares of the Company shall not exceed fifty percent (50%) of the total number of the ordinary shares of the Company and the amount of funds raised shall not exceed fifty percent (50%) of the net assets before the issuance. The preference shares repurchased or converted shall not be included in the calculation.

**Article 212** The preference shareholders of the Company shall be entitled to the following rights:

- (1) To obtain the dividend in accordance with the terms and proportion of their preference shares held;
- (2) In the case of meeting the conditions prescribed by Article 213 thereof, the preference shareholders of the Company shall be entitled to attend and vote at the general meeting of the Company;
- (3) To inspect the Articles of Association, the shareholders' register, the counterfoils of corporate bonds, the minutes of the general meeting, the resolutions of the Board Meeting and the financial and accounting reports;
- (4) In the case of occurring the situations prescribed in Article 214, to restore the voting rights in accordance with the means stipulated by the article, until the Company has fully paid the dividends owed;
- (5) When the Company is liquidated due to dissolution, bankruptcy or other reasons, residual property is result after repayment has been made from the Company's property according to the relevant provisions of the Company Law and Bankruptcy Law. The Company shall give priority to preference shareholders to the extent of payment of undistributed dividends and the liquidated amount as agreed in the Articles of Association. Should the amount be insufficient to make full payment, the distribution shall be made according to the shareholding ratio of preference shareholders;
- (6) Other rights entitled to the preference shareholders as prescribed by laws, administrative regulations, departmental rules and regulations and the Articles of Association.

**Article 213** The preference shareholders cannot attend any general meeting, nor do their preference shares have voting rights.

In any of the following events, the notice of the general meeting shall be delivered to the preference shareholders prior to convention of such meeting by the Company. The Company shall also comply with the notice procedure for ordinary shareholders set forth in the Company Law and the Articles of Association. The preference shareholders are entitled to attend the general meetings and vote on the following matters separately from the ordinary shareholders. Each preference share shall have one vote, but the preference shares of the Company held by the Company shall have no voting right:

- (1) any amendment to the provisions of the Articles of Association regarding the preference shares;
- (2) any reduction of the registered share capital of the Company by more than ten percent (10%), whether on an individual or cumulative basis;
- (3) any merger, division, dissolution or change of organizational form of the Company;
- (4) any issuance of preference shares;
- (5) any other circumstances prescribed by the Articles of Association that may affect the rights of preference shareholders.

Resolutions on the matters above shall be approved by at least two thirds (2/3) of the votes represented by the preference shareholders present at the meeting (excluding the preference shareholders with voting rights restored), in addition to the approval by at least two thirds (2/3) of the votes represented by the ordinary shareholders present at the meeting (including the preference shareholders with voting rights restored).

**Article 214** If the Company fails to pay dividends to the preference shareholders as agreed for three (3) accounting years in aggregate or two (2) consecutive accounting years, the preference shareholders shall have the right to attend the general meetings, and each preference share shall be entitled to the voting rights as stipulated in the Articles of Association. For preference shares which dividends can be brought forward to the next accounting year, the restoration of voting rights shall be valid until all outstanding dividends are paid in full. For preference shares which dividends cannot be brought forward to the next accounting year, the restoration of voting rights shall be valid until all dividends are paid for such year.

**Article 215** The number of voting rights of ordinary shares entitled to each preference share at the time of restoring the voting rights shall be calculated using the following formula:  $N=V/P_n$ . Wherein, V is the total par value of preference shares held by the preference shareholders;  $P_n$ , the stimulated conversion price, is the net asset value per share attributable to owners of the parent as disclosed in the Company's audited consolidated financial statements as at 31 December 2024, namely RMB17.35 per share. The number of voting rights restored shall be rounded down to the nearest integer.

The stimulated conversion price at the time of restoring the voting rights will be adjusted as prescribed by the issuance plan.

**Article 216** After the voting rights are restored, the voting rights of the preference shareholders under the voting rights restoration terms from the date of full payment shall be immediately terminated when the Company has fully paid the owed and payable dividends, unless the laws, regulations and the Articles of Association stipulate otherwise. The voting rights of preference shareholders will be restored again if subsequent event retriggers the voting rights restoration term.

**Article 217** If the Company repurchase its ordinary shares, or is subject to a merger, division or any other circumstances that may lead to changes in the Company's shares and shareholders' interest and thereby affect the rights and interests of the preference shareholders, the Company is entitled to adjust the stimulated conversion price upon voting rights restoration in a fair, just and equitable manner in order to fully protect and keep balance of the rights and interests of the preference shareholders and the ordinary shareholders. The contents and the mechanism relating to the adjustment of the stimulated conversion price upon voting rights restoration applicable to such circumstances will be formulated in accordance with applicable PRC laws and regulations.

**Article 218** The Company may repurchase the preference shares of the Company in accordance with the Articles of Association, subject to the conditions set forth in the relevant laws and regulations.

The redemption right of the preference shares of the Company rests on the Company, and no resale clauses for investors are provided.

The redemption period of the preference shares is from the fifth (5th) anniversary of the first dividend accruing date (in the event of issuing by tranches, on the first dividend accruing date of each tranche respectively) up to the date of full redemption.

Following the fifth (5th) anniversary of the first dividend accruing date (in the event of issuing by tranches, on the first dividend accruing date of each tranche respectively), the Company is entitled to redeem and cancel all or part of the preference shares on every dividend distribution date. Where a partial redemption was decided to be carried out by the Company, the Company shall redeem the preference shares from all preference shareholders of the same tranche by the corresponding proportion. Save for the requirements of the laws and regulations, the redemption of the preference shares is not subject to other conditions.

The redemption price of the preference shares shall be the par value plus the current resolved payment of but unpaid dividends on the preference shares.

The general meeting authorizes the Board, under the framework and principles considered and approved by the general meeting, to deal with, at its sole discretion, all matters in relation to the redemption in accordance with the relevant laws and regulations, approvals and market conditions.

The total number of outstanding preference shares shall be written down accordingly upon repurchase of preference shares by the Company in accordance with the provisions hereof.

**Article 219** The Company may distribute fixed dividends to the preference shareholders of the Company calculated at the corresponding dividend rate if there are distributable profit left after recovering losses and making allocations to its reserve fund according to relevant laws.

The Board, subject to the authorization of the general meeting, shall declare and pay all dividends on the preference shares under the framework and principles considered and approved by the general meeting in relation to the preference shares and in accordance with the agreements set out in the issuance documents. In case of the cancellation of payment of part of or full current dividend on the preference shares, such matter shall also be considered and approved at the general meeting of the Company and shall be informed to the preference shareholders by the Company at least ten (10) working days prior to the dividend payment date in accordance with the requirements by relevant regulatory departments.

The preference shares issued in different tranches will have equal priority to dividend distribution. The preference shareholders shall take precedence over ordinary shareholders in distribution of dividends. The Company will not distribute any profit to ordinary shareholders unless the agreed current dividend on preference shares has been fully paid.



**Article 220** Unless the occurrence of any trigger events for compulsory payment, the general meeting of the Company shall be entitled to determine to cancel the payment of part of or full current dividend on the preference shares, which shall not constitute a default by the Company. Trigger events for compulsory payment mean the occurrence of any of the following events within twelve (12) months prior to the dividend payment date:

- (1) the payment of dividend to the ordinary shareholders by the Company (including cash, shares, a combination of both cash and shares and other methods in compliance with the laws and regulations);
- (2) the reduction of registered share capital (except for the redemption and cancellation of shares due to share incentive plan or the redemption and cancellation of ordinary shares as a result of issuing preference shares).

**Article 221** Dividends on the preference shares shall be paid by the Company in cash.

Dividends on the preference shares of the Company shall be paid annually. The dividends will be accrued from the last day for receiving investors' subscription payments for the current preference shares issued by the Company. The dividend distribution date shall be the anniversary date of the last day for receiving investors' subscription payments for the current preference shares. If any dividend distribution date falls on a statutory holiday or weekend, it shall be deferred to the next working day. Any tax payable for the dividend on the preference shares received by preference shareholders shall be borne by preference shareholders in accordance with relevant laws and regulations.

**Article 222** Dividends on preference shares issued by the Company will be cumulative, which means that the shortfall arising from any dividends not paid in full to the preference shareholders for the previous year will be accumulated to the following year, and shall not constitute a default by the Company.

**Article 223** Once the preference shareholders have received dividends at the agreed dividend rate, they shall not be entitled to the distribution of the remaining profit together with ordinary shareholders.

**Article 224** If the Company is subject to liquidation as a result of dissolution, bankruptcy or other reasons, the residual property of the Company after settlement in accordance with the relevant requirements of laws and regulations, shall be distributed to the shareholders in the following sequences and method:

- (1) pay the sum of par value of the preference shares plus the current declared but unpaid dividends to the preference shareholders. If the residual property is not sufficient, then such distribution shall be made on a pro rata basis in accordance with the shareholding percentages of the preference shareholders in the total preference shares;
- (2) distribute to the ordinary shareholders on a pro rata basis in accordance with the shareholding percentages of the ordinary shareholders in the total ordinary shares.

### **Chapter 13 Supplemental Provisions**

**Article 225** Any matters not covered in the Articles of Association shall be treated in accordance with the laws, administrative regulations and the listing rules of the place of listing by having regard to the actual situation of the Company. Should there be any contraventions between the Articles of Association and any newly-promulgated laws, administrative regulations or the listing rules prevailing at the place of listing, such newly-promulgated laws, administrative regulations or the listing rules of the place of listing shall prevail.

**Article 226** “Controlling shareholder” referred to herein shall mean a shareholder whose shareholdings account for more than fifty percent (50%) of the total share capital of a joint stock limited company; or a shareholder whose shareholdings are less than fifty percent (50%) but whose voting rights on the basis of his/her shareholdings are sufficient to exercise significant influence over there solutions of the general meeting.

“Acting in concert” referred to herein shall mean two or more persons who, pursuant to an agreement (whether verbal or written), cooperate to obtain or consolidate the control of the Company through the acquisition by any of them of voting rights of the Company.

“De facto controller” referred to herein shall mean any natural, legal person or other organizations who has de facto control over actions of the Company through the investment relationship, an agreement or other arrangements.

“Connected relationship” referred to herein shall mean the relationship between a controlling shareholder, de facto controller, director or senior management member of the Company and its directly or indirectly controlled enterprise and other relationships which may result in the transfer of the Company’s interests. However, state-owned enterprises may have connected relationships not merely because they are under common control of the State, and may also have the meaning of the “related relationship” conferred by the Hong Kong Listing Rules.

The “connected parties” referred to herein shall mean the connected/related legal persons and connected/related natural persons of the Company according to the listing rules of the place of listing of its shares.

“Connected transactions” referred to herein shall mean matters involving the transfer of resources or obligations between the Company, its holding subsidiaries and other entities controlled by them and the Company’s related parties according to the listing rules of the place of listing of its shares, and shall also have the meaning of the “connected transactions” conferred by the Hong Kong Listing Rules.

Accounting firms referred to herein shall have the same meaning as “auditors”.

The president and deputy presidents referred to herein shall have the same meanings as “managers” and “deputy managers” referred to in the Company Law respectively, and shall have the same meanings as “chief executive officer” and “vice-president of administration” respectively as stipulated in relevant provisions for foreign shares.

The Chairman referred to herein shall have the same meanings as “Chairman of the Board” as stipulated in relevant provisions for foreign shares.

The preference shares referred to in the Articles of Association is other type of shares (apart from ordinary shares) stipulated otherwise under general stipulations in accordance with the Company Law. The holders of such shares shall be superior to the ordinary shareholders in the distribution of the Company’s profits and residual properties but subject to the restriction in participation of the Company’s decision-making and management.

The “RMB” referred to herein shall mean the lawful currency of the People’s Republic of China; unless otherwise specified, all amounts referred to in the Articles of Association are stated in RMB.

**Article 227** The Articles of Association are written in both Chinese and English. Should there be any discrepancies between the two versions, the Chinese one shall prevail.

**Article 228** Unless otherwise stipulated herein, “the above”, “within”, “the following”, “before”, “after” shall be inclusive of the stated figure or day; while “lower than”, “less than”, “not more than”, “under”, “other than”, “more than”, “exceed”, “over” are not inclusive of the stated figure.

**Article 229** The right of interpretation of the Articles of Association shall rest with the Board of Directors of the Company. Any matters not covered in the Articles of Association shall be put forward by the Board of Directors by way of resolution at a general meeting for approval.

**Article 230** The appendix(es) to the Articles of Association include(s) the Rules of Procedures for General Meetings of the Shareholders, and the Rules of Procedures for Meetings of the Board.