

Note: If there is any inconsistency between the English and Chinese versions of this articles of association, the Chinese version shall prevail.

上海錦江國際酒店（集團）股份有限公司

SHANGHAI JIN JIANG INTERNATIONAL HOTELS (GROUP) COMPANY LIMITED

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

ARTICLES OF ASSOCIATION

(Passed by the Second Extraordinary General Meeting of the Company on 19 November 2006)

(The first amendment made by the 2008 Annual General Meeting of the Company on 16 June 2009, the second amendment made by the Extraordinary General Meeting of the Company on 15 November 2010.)

CHAPTER	TABLE OF CONTENTS	PAGE
Chapter 1	General principles	
Chapter 2	Purpose and scope of operation	
Chapter 3	Shares and registered capital	
Chapter 4	Capital reduction and repurchase of shares	
Chapter 5	Financial assistance for repurchase of shares in the Company	
Chapter 6	Share certificates and registers of members	
Chapter 7	Rights and obligations of shareholders	
Chapter 8	General meetings	
Chapter 9	Special procedures for class voting	
Chapter 10	Board of directors	
Chapter 11	Secretary to the board of directors of the Company	
Chapter 12	Chief executive officer, executive president and vice presidents of the Company	
Chapter 13	Supervisory committee	
Chapter 14	Qualifications and obligations of directors, supervisors, chief executive officer and other senior management officers of the Company	
Chapter 15	Financial and accounting system and profit distribution	
Chapter 16	Appointment of certified public accountants' firms	
Chapter 17	Insurance	
Chapter 18	Labour management	
Chapter 19	Trade union organisation and party organisation	
Chapter 20	Merger and demerger of the Company	
Chapter 21	Dissolution and liquidation of the Company	
Chapter 22	Procedures for amending the Articles of Association	
Chapter 23	Resolution of disputes	
Chapter 24	Notices	
Chapter 25	Interpretation and definitions of the Articles of Association	

SHANGHAI JIN JIANG INTERNATIONAL HOTELS (GROUP) COMPANY LIMITED  
ARTICLES OF ASSOCIATION

CHAPTER I - GENERAL PRINCIPLES

Article 1.1

Shanghai Jin Jiang International Hotels (Group) Company Limited (the "Company" is a joint stock limited company established in accordance with the Company Law of the People's Republic of China (《中華人民共和國公司法》, hereinafter referred to as the "Company Law"), the Special Regulations of the State Council relating to the Overseas Offering and Listing of Shares by Joint Stock Limited Companies of the State Council (《國務院關於股份有限公司境外募集股份及上市的特別規定》, hereinafter referred to as the "Special Regulations") and other relevant laws and administrative regulations of the State.

Having been approved by the "Approval Reply in respect of the Agreement to establish Shanghai Jin Jiang International Hotels (Group) Company Limited" (Hu Fu Fa Gai Sheng [2005] No.012) (《關於同意設立上海錦江國際酒店(集團)股份有限公司的批復》(滬府發改審[2005]第012號)) issued by the Shanghai Municipal People's Government, the Company is established by means of promotion, and obtained its business licence by registering with the Shanghai Municipal Administration of Industry and Commerce on 11 January 2006. The Company's business licence number is: 3100001003780.

The Promoters of the Company are: Jin Jiang International (Group) Company Limited (錦江國際(集團)有限公司) and Shanghai Jin Jiang International Investment and Management Company Limited (上海錦江國際投資管理有限公司). The shareholders of the Company prior to the initial public offering of overseas-listed foreign shares (as defined in Article 3.4 herein) are Jin Jiang International (Group) Company Limited and Shanghai Jin Jiang International Investment and Management Company Limited, and the shares held by them are state-owned shares and legal person shares.

Article 1.2

The registered name of the Company

In Chinese: 上海錦江國際酒店(集團)股份有限公司

In English: Shanghai Jin Jiang International Hotels (Group) Company Limited

Article 1.3

Residence of the Company: Room 316-318, 24 Yang Xin Dong Road, Shanghai,  
the People's Republic of China

Postal code: 200122

Telephone number: 8621-58300403

Facsimile number: 8621-50816260

#### Article 1.4

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

#### Article 1.5

The Company, which is a joint stock limited company in perpetual existence, is an independent legal person within the jurisdiction and protection of the laws, regulations and other provisions of the PRC.

#### Article 1.6

All the capital of the Company shall be divided into shares of equal nominal value. The liability of the shareholders towards the Company shall be limited to the extent of the amount of their respective shareholdings in the Company. The liability of the Company in its debts shall be the amount of all its assets.

#### Article 1.7

The Articles of Association are amended pursuant to the relevant provisions of the Company Law, the "Mandatory Provisions for Articles of Association of Companies to be listed Overseas" (《到境外上市公司章程必備條款》), hereinafter referred to as the "Mandatory Provisions"), the "Letter of Opinion on the Supplementary Amendments to Articles of Associations by Companies to be Listed in Hong Kong" (《關於到香港上市公司對公司章程作補充修改的意見的函》), hereinafter referred to as the "Letter Opinion on Supplementary Amendments") and other relevant laws and regulations of the PRC.

#### Article 1.8

Subsequent to the passing of the extraordinary general meeting of the Company by way of a special resolution and the approval of the relevant competent authority of the State, the Articles of Association shall become effective from the date of its registration with the industry and commerce administration and supervisory authority and replace completely the Articles of Association originally registered with the industry and commerce administration and supervisory authority.

From the date on which the Articles of Association become effective, the Articles of Association shall constitute a legally binding document regulating the organisation and activities of the Company, the rights and obligations between the Company and each shareholder and amongst the shareholders *inter se*.

#### Article 1.9

The Articles of Association shall be binding on the Company and its shareholders, directors, supervisors, chief executive officer and other senior management officers; each of the aforesaid parties may make claims in relation to matters of the Company in accordance with the Articles of Association.

Shareholders may institute legal proceedings against the Company in accordance with the Articles of Association, and so may the Company against shareholders, shareholders against each other and shareholders against the directors, supervisors, chief executive officer and other senior management officers of the Company.

“Proceedings” as referred to in the preceding paragraph shall include the proceedings taken to courts of law or arbitrations taken to arbitration authorities.

#### Article 1.10

The Company may invest in other limited liability companies or joint stock limited companies and assume liabilities of such investee companies.

#### Article 1.11

“Other senior management officers” as referred in the Articles of Association shall include executive president, vice presidents, chief financial officer, secretary to the board of directors and other officers specified by the Articles of Association

### **CHAPTER 2 - OBJECTS AND SCOPE OF OPERATION**

#### Article 2.1

The purpose of the Company's operation shall be: to develop various domestic and international operational sectors, to focus on scale operations and chain operations and to capitalise on the competitive advantages in assets, brand-names, talents and management with economic returns as the centre, service quality as the life and hotel industry as the base by building a multinational conglomerate with core competitiveness in domestic and international markets and to realise the largest returns to shareholders.

#### Article 2.2

The scope of operations of the Company shall include: hotel operation (limited to branches), hotel management, hotel investment, corporate investment management, domestic trade, leasing of its own offices and apartments, parking, training and consultancy of related projects (any of the aforesaid scope of operations which is subject to permission is operating under permit).

The scope of operations of the Company shall be limited to the scope of operations approved by the industry and commerce administration and supervisory authority. The Company may vary the scope of operations and establish domestic and overseas branch organisations in response to changes in market conditions and its business requirements, subject to approval of approving authorities.

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

#### Article 3.1

The Company may at any time create ordinary shares. The Company may, depending on requirements and subject to the approval of companies approving authorities mandated by the State Council, create other classes of shares.

#### Article 3.2

Shares issued by the Company shall have a nominal value and the nominal value of each share shall be RMB1.

#### Article 3.3

Subject to approval of securities competent authorities under the State Council, the Company may issue shares to both domestic and overseas investors.

“Overseas investors” referred to in the preceding paragraph shall include investors from overseas, Hong Kong, Macau and Taiwan who have subscribed for the shares issued by the Company. “Domestic investors” shall include those investors within the PRC other than the aforesaid territories, who have subscribed for the shares issued by the Company.

#### Article 3.4

Shares issued by the Company to domestic investors for subscription in RMB shall be called Domestic Shares. Shares issued by the Company to foreign investors for subscription in foreign currency shall be called Foreign Shares. Foreign Shares listed overseas shall be called Overseas-listed Foreign Shares.

Overseas-listed Foreign Shares issued by the Company and listed in Hong Kong shall be called H Shares. H Shares shall refer to shares of which listing has been approved by The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”), with its nominal value denominated in RMB and subscribed for and traded in Hong Kong Dollars. H Shares shall also be listed in any stock exchanges within the United States of America in the form of America Depositary Receipts.

Subject to the approval of the securities regulatory and supervisory authorities of the State Council, the holders of Domestic Shares of the Company may transfer their shareholdings to overseas investors for listing and dealing overseas. Shares so transferred for listing and dealing on overseas stock exchanges shall comply with the regulatory procedures, provisions and requirements of the overseas stock markets, and such circumstances do not require the voting of a class meeting held for such purposes.

“Foreign currency” referred in the preceding paragraph shall include the legal tender of the other countries and territories, other than RMB, which are recognised by the foreign exchange competent authority of the State for payment of share monies to companies.

#### Article 3.5

Subject to the approval of Companies Approving Authority mandated by the State Council, the Company issued a total number of 5,566,000,000 ordinary shares. At the time of its incorporation, the Company issued a total number of 3,300,000,000 ordinary shares to the Promoters, accounting for 59.29% of the total number of ordinary shares issued by the Company. Subsequent to its incorporation, the Company issued a total number of 1,265,000,000 Overseas-listed Foreign Shares (H Shares) (inclusive of the 15%

over-allotment option), accounting for 22.73% of the total number of ordinary shares issued by the Company. Subsequent to the issuance of the Overseas-listed Foreign Shares (H Shares), the Company issued a total number of 1,001,000,000 new domestic shares, accounting for 17.98% of the total number of ordinary shares issued by the Company.

#### Article 3.6

With the approval of the Shanghai Municipal People's Government, the Company is established by means of promotion, with Jin Jiang International (Group) Company Limited and Shanghai Jin Jiang International Investment and Management Company Limited as the Promoters, through the conversion of the incorporation of the original Shanghai Jin Jiang International Hotels (Group) Company Limited into a joint stock limited company.

At the time of incorporation, the share capital structure of the Company was: 3,300,000,000 ordinary shares, of which 3,135,000,000 shares and 165,000,000 shares were held by the Promoters, Jin Jiang International (Group) Company Limited and Shanghai Jin Jiang International Investment and Management Company Limited respectively, representing 95% and 5% respectively of the total number of shares of the Company. Having its capital verified with certification by a capital verification organisation duly established under the law, the Promoters have fully paid up their contribution as of 22 December 2005.

The Company issued 1,265,000,000 new shares (inclusive of the part of the over-allotment option of 165,000,000 shares) at its initial public offering. Jin Jiang International (Group) Company Limited and Shanghai Jin Jiang International Investment and Management Company Limited, the holders of state-owned shares, have allocated 126,500,000 state-owned shares, based on 10% of the actual new shares issued, to the holding of the National Council for Social Security Fund and have converted them into Overseas-listed Foreign Shares.

After the over-allotment option was fully exercised, the share capital structure of the Company subsequent to its initial public offering of Overseas-listed Foreign Shares and reduction in holdings of state-owned shares and its listing on the Main Board of The Stock Exchange of Hong Kong Limited shall be: 4,565,000,000 ordinary shares, of which: 3,173,500,000 shares are Domestic Shares which are Promoters Shares; 1,391,500,000 shares are Overseas-listed Foreign Shares (inclusive of the 126,500,000 shares held by the National Council for Social Security Fund).

Subsequent to its initial public offering of the new shares, the Company issued 1,001,000,000 new domestic shares to Jin Jiang International (Group) Company Limited.

For each of the above changes in registered capital, the Company shall determine the actual amount of the registered capital of the Company in accordance with the capital verification report issued by the certified public accountant and register the corresponding changes in registered capital with the Shanghai Municipal Administration for Industry and Commerce and file with the companies approving department mandated by

the State Council and the competent securities authority of the State Council for record.

#### Article 3.7

The board of directors of the Company may conduct arrangements for separate issues of Overseas-listed Foreign Shares and Domestic Shares upon approval of the Company's plans for such issues by the competent securities authority of the State Council.

The Company may conduct separate issues of Overseas-listed Foreign Shares and Domestic Shares within 15 months from the date of approval by the China Securities Regulatory Commission according to the provision in the preceding paragraph.

#### Article 3.8

When the Company issues Overseas-listed Foreign Shares and Domestic Shares separately, the total number of shares to be issued for each class as specified in the issue plan shall be issued in full in one exercise. Where such shares cannot be issued in full in one exercise under exceptional circumstances, issues may be conducted separately upon the approval of the China Securities Regulatory Commission.

#### Article 3.9

The registered capital of the Company shall increase to RMB5,566,000,000 following the completion of the issuance of new domestic shares of the Company referred to in Article 3.6 above.

#### Article 3.10

The Company may, according to its requirements for operation and development, approve the increase of its capital in accordance with relevant provisions of the Articles of Association.

The Company may increase its capital by means of the following:

- (1) An offering of new shares to non-designated investors;
- (2) An issue of new shares by way of rights to existing shareholders;
- (3) An issue of new shares to existing shareholders by way of bonus;
- (4) Other means as permitted by laws and administrative regulations.

The Company's increase of capital by means of issue of new shares shall be processed in accordance with procedures stipulated by relevant laws and administrative regulations of the State subsequent to approval in accordance with provisions of the Articles of Association.

#### Article 3.11

Unless otherwise provided under laws or administrative regulations, fully-paid up shares of the Company shall be freely transferable and not subject to any lien.



## CHAPTER 4 - CAPITAL REDUCTION AND REPURCHASE OF SHARES

### Article 4.1

In accordance with the provisions of the Articles of Association, the Company may reduce its registered capital.

### Article 4.2

In the event of a reduction in registered capital, the Company must prepare its balance sheet and an inventory list of assets.

The Company shall notify its creditors within 10 days from the date of the Company's resolution for reduction of registered capital and shall make a public announcement within 30 days of the date of such resolution. A creditor shall have the right to demand the Company to repay its debts or provide a corresponding guarantee for such debt within 30 days of receiving the notice from the Company or, in the case of a creditor who has not received any notice, within 45 days of the date of the public announcement.

The registered capital of the Company subsequent to the reduction shall not be lower than the statutory minimum amount.

### Article 4.3

Subject to the approval of the relevant competent authorities of the State, the Company may repurchase its outstanding issued shares in accordance with the procedures stipulated in the Articles of Association in the following circumstances:

- (1) Cancellation of shares for the purpose of reduction of the Company's capital;
- (2) Merger with another company holding shares in the Company;
- (3) Granting incentive shares to workers of the Company;
- (4) Requesting the Company to purchase its own shares where shareholders object to the merger or demerger resolution of a general meeting;
- (5) Other circumstances permitted by laws and administrative regulations.

### Article 4.4

Subject to the approval of the relevant competent authorities of the State, the Company may repurchase shares by one of the following means:

- (1) Tender offer to all shareholders on a pro-rata basis;
- (2) Repurchase by means of open trading on a stock exchange;
- (3) Repurchase by means of an off-market agreement.

### Article 4.5

Where the Company repurchases its shares by an off-market agreement, prior sanction by the general meeting shall be obtained in accordance with the provisions of the Articles of Association. Subject to the

same prior sanction by the general meeting, the Company may cancel or vary the contract entered into in the aforesaid manner or waive any of its rights thereunder.

The aforesaid share repurchase contract shall include (but not limited to) an agreement to undertake obligations for repurchasing shares and to acquire rights to repurchase shares.

The Company may not assign contract for the repurchase of its shares or any rights thereunder.

#### Article 4.6

Where the Company is empowered to repurchase redeemable shares, if the repurchase is not by way of open trading or by way of tender offer, its prices shall not exceed a highest price cap; if the repurchase is by way of tender offer, the tender shall be offered to all shareholders on the same conditions alike.

Subsequent to shares purchased by the Company in accordance with the provisions of Article 4.3, purchases under Article 4.3(1) shall be cancelled within ten days from the date of purchase; purchases under Article 4.3(2) and (4) shall be transferred or cancelled within six months.

Shares purchased by the Company in accordance with the provisions of Article 4.3(3), shall not exceed 5% of the total number of issued shares of the Company; funds used for purchases shall pay out of the profit after tax of the Company; the shares so purchased shall be transferred to the workers within one year.

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

#### Article 4.7

Save for the Company in the course of liquidation, it must comply with the following provisions in relation to the repurchase of its outstanding issued shares:

- (1) Where the Company is repurchasing shares at nominal value, the amount payable shall be paid out of the book balance of distributable profit of the Company and the proceeds from the fresh issue conducted in connection with the repurchase of existing shares;
- (2) Where the Company is repurchasing shares at a premium to its nominal value, an amount up to the nominal value shall be paid out of the book balance of distributable profit of the Company and the proceeds from the fresh issue conducted in connection with the repurchase of existing shares. The amount in excess of the nominal value shall be dealt with as follows:
  1. To be paid out of the book balance of distributable profit of the Company if the shares being repurchased were issued at nominal value;
  2. To be paid out of the book balance of distributable profit of the Company and the proceeds from the issue of new shares conducted in connection with the repurchase of existing shares if the shares being repurchased were issued at a premium to its nominal value, provided that the amount paid out of the proceeds of the new issue shall not exceed the aggregate amount of

premium received by the Company at the time of the issue of the shares repurchased or the amount (including the premium on the fresh issue) standing on the Company's share premium account;

- (3) Payments by the Company in consideration of the following shall be made out of the Company's distributable profit:
  1. The acquisition of rights to repurchase its shares;
  2. The variation of any contract to repurchase its shares;
  3. The release of any of the Company's obligations under the share repurchase contracts.
- (4) Subsequent to the reduction of the Company's registered capital by the total nominal value of the cancelled shares in accordance with the relevant provisions, the amount deducted from the distributable profit of the Company for paying up the nominal value of the repurchased shares shall be transferred to the Company's share premium account.

#### CHAPTER 5 - FINANCIAL ASSISTANCE FOR REPURCHASE OF SHARES IN THE COMPANY

##### Article 5.1

Neither the Company nor its subsidiaries shall at any time provide any financial assistance in any manner to a person who is acquiring or is proposing to acquire shares in the Company. The said acquirer of shares of the Company shall include a person who undertakes obligations, directly or indirectly, as a result of acquiring shares in the Company.

Neither the Company nor its subsidiaries shall at any time provide financial assistance in any manner to the aforesaid acquirer for the purpose of reducing or discharging his or her obligations.

The provisions of this Article shall not apply to the circumstances described in Article 5.3 of the Articles of Association.

##### Article 5.2

Financial assistance referred to in this chapter shall include (but not limited to) the following means:

- (1) a gift;
- (2) a guarantee (including the provision of property by the guarantor to secure the performance of obligations by the obligor), or compensation (other than compensation in respect of the Company's own default), or the release or waiver of any rights;
- (3) a loan or an agreement under which the Company's obligations are to be fulfilled prior to the obligations of the other party, or the novation of the parties or the assignment of any rights under such loan or agreement;
- (4) Any other means of financial assistance provided by the Company under insolvency or in the absence of net assets or which would result in significant reduction of its net assets.

The undertaking of obligations referred to in this Chapter shall include obligations undertaken as a result of

a change in the obligor's financial position following the execution of contracts or arrangements (whether or not the contract or arrangement is enforceable, and whether made on his or her own account or in joint liability with any other persons), or by any other means.

#### Article 5.3

The following activities shall not be deemed as prohibited activities under Article 5.1 of the Articles of Association:

- (1) The provision of financial assistance by the Company where the financial assistance is given in good faith for the interest of the Company, and the principal purpose in giving the financial assistance is not for the acquisition of the shares in the Company, or the giving of the financial assistance is an incidental part of some larger purpose of the Company;
- (2) The lawful distribution of the Company's assets by way of dividend;
- (3) The allotment of bonus shares as distribution of dividends;
- (4) The reduction of registered capital, repurchase of shares, or reorganisation of the share capital structure of the Company effected in accordance with the provisions of the Articles of Association;
- (5) The provision of loans by the Company within its scope of operations in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or that the financial assistance is provided out of distributable profit of the Company to the extent such net assets are reduced);
- (6) The Company's monetary contributions to staff and workers' share schemes (provided that the net assets of the Company are not thereby reduced or that the financial assistance is provided out of distributable profit of the Company to the extent such net assets are reduced).

### CHAPTER 6 - SHARE CERTIFICATES AND REGISTERS OF MEMBERS

#### Article 6.1

A share certificate is a certificate issued by the Company certifying the share held by a shareholder. A share certificate shall be issued either in bookkeeping counterfoil or paper form or in other forms prescribed by the competent securities authority of the State Council pursuant to the requirements of the share issue and the relevant government and authorities of the place of listing.

#### Article 6.2

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

Other than those required by the Company Law, the particulars to be set out on each share certificate of the Company shall include other particulars required to be set out by the stock exchange where the shares of the Company are listed.

#### Article 6.3

The share certificate of the Company shall be signed by the chairman. It shall also be signed by other senior management officers of the Company if so required by the stock exchange on which the Company's shares are listed. A share certificate of the Company shall become effective after the company seal (or the special seal for the Company's securities) is stamped or printed thereon. The stamping of the company seal or the special seal for the Company's securities on the share certificates shall require the sanction of the board of directors. The signature of the chairman or other relevant senior management officer on the share certificate may also be in printed form.

#### Article 6.4

The Company shall establish a register of members to keep record of the following:

- (1) The name, address (residence), and occupation or nature of business of each shareholder;
- (2) The class and number of shares held by each shareholder;
- (3) The amounts paid or payable for shares held by each shareholder;
- (4) The serial number of the shares held by each shareholder;
- (5) The date of registration as a shareholder of each shareholder of the Company;
- (6) The date on which each shareholder ceases to be a shareholder of the Company.

Unless the contrary is proved, the register of members shall be sufficient evidence of the shares in the Company held by shareholders.

#### Article 6.5

The Company may keep its register of members of Overseas-listed Foreign Shares at an overseas location and appoint an overseas agent to manage the same in accordance with the mutual understanding and agreement between competent securities authorities of the State Council and overseas securities regulatory authorities. The original copy of the register of holders of Overseas-listed Foreign Shares listed in Hong Kong shall be placed at Hong Kong.

A duplicate copy of the register of members of the Overseas-listed Foreign Shares shall be placed at the Company's residence; the overseas agent so appointed shall ensure that the original copy of the register of members of the Overseas-listed Foreign Shares is consistent with the duplicate copy at all times. In the event of any inconsistencies between the records of the original and the duplicate copy of the register of members of Overseas-listed Foreign Shares, the original copy shall prevail.

#### Article 6.6

The Company shall keep a complete register of members.

The register of members shall comprise the following parts:

- (1) The register of members to be kept in the residence of the Company other than those stipulated in items (2) and (3) of this paragraph;

- (2) The register of members of Overseas-listed Foreign Shares to be kept at the location of the stock exchange where the Overseas-listed Foreign Shares is listed;
- (3) Any registers of members to be kept in other places as determined by the board of directors to fulfil requirements for the listing of the shares of the Company.

#### Article 6.7

There shall be no overlap of any parts in the register of members. Any transfer of the shares registered in one part of the register of members shall not be registered in another part of the register of members so long as the registration of such shares subsists.

The alteration and rectification of each part of the register of members shall be carried out in accordance with the laws of the places at which the respective parts of the register of members are maintained.

#### Article 6.8

All fully paid-up Overseas-listed Foreign Shares listed in Hong Kong may be freely transferred in accordance with the Articles of Association. However, the board of directors shall have the right to refuse to recognise any instrument of transfer without giving any reason, unless the following conditions are met:

- (1) A fee (for each instrument of transfer) of HK\$2.50, or such higher fee prescribed by the Hong Kong Stock Exchange having been paid to the Company, for the purpose of registration of any instrument of transfer and other documents which are related to or will affect the title to the shares;
- (2) The instrument of transfer being related to Overseas-listed Foreign Shares listed in Hong Kong only;
- (3) The stamp duties chargeable on the instrument of transfer having been paid;
- (4) The relevant share certificates together with proof evidencing the right of the transferor to transfer the shares as the board of directors may reasonably request having been furnished;
- (5) The number of joint holders not exceeding 4 in case the shares are intended to be transferred to joint holders.

Any members of the Overseas-listed Foreign Shares may transfer part or all of the shares in the Company by using written instruments of transfer commonly used at the place of listing or instruments of transfer with signatures printed thereon. The above transfer of shares may use the standard instrument of transfer prescribed by the Hong Kong Stock Exchange. Instruments of transfer must be signed by both the transferor and transferee in person or by print.

#### Article 6.9

No changes in registration to the register of members in relation to the transfer of shares may be made during the 20 days prior to the date on which a general meeting is convened or during the 5 days period prior to the record date for the purpose of determining entitlements to the Company's distribution of dividends, unless otherwise provided by law in respect of changes in registration to register of members of listed companies.

#### Article 6.10

The board of directors shall appoint a date for determining entitlement rights as the entitlement determination date for the purpose of convening general meetings, dividend distributions, liquidation and other activities that require the determination of entitlements. Shareholders whose names appear on the register of members at the close of such date shall be the members of the Company.

#### Article 6.11

Any party who disputes the records of the register of members and requests to have his or her or its name entered into or removed from the register of members may apply to the court with the jurisdiction for amendments to the register of members.

#### Article 6.12

Any party whose name appears on the register of members or any party who requests to have his or her or its name entered into the register of members may apply to the Company for the issuance of new share certificates in respect of the shares concerned (i.e. the "Relevant Shares") in replacement of lost share certificates (i.e. the "Original Share Certificates"). Applications for the issuance of new share certificates in replacement of lost shares certificates by holders of Domestic Shares shall be dealt with in accordance with the provisions of Section 144 of the Company Law.

Applications for the issuance of new share certificates in respect of the shares concerned in replacement of lost share certificates by holders of Overseas-listed Foreign Shares shall be dealt with in accordance with the laws, the rules of the stock exchange or other relevant regulations of the place where the original register of members for Overseas-listed Foreign Shares is kept.

The issuance of replacement certificates shall be subject to the following:

- (1) The applicant having applied in the standard format prescribed by the Company together with a notarial certificate or statutory declaration, the contents of which shall include the applicant's reason for the application, circumstances and evidence of the loss of share certificates and a declaration that there being no other person entitled to register as the shareholder of the Relevant Shares.
- (2) The Company not having received any declaration from any person other than the applicant prior to its decision to issue new replacement share certificates, requesting to be registered as the shareholder of the Relevant Shares.
- (3) The Company having caused a public announcement to be published in the newspapers designated by the board of directors to announce the issuance of the new replacement share certificate once it has decided to issue a new replacement share certificate to the applicant, with an announcement period of 90 days, during which the announcement shall be published at least once every 30 days.
- (4) The Company having furnished a copy of the announcement of the issuance of the new replacement share certificates to be published to the stock exchange on which the shares of the Company are listed before publishing the same. The Company may forthwith publish the announcement after

receiving a reply from the stock exchange confirming that the announcement has been displayed in the stock exchange. The announcement shall be displayed in the stock exchange for 90 days.

Where the application for the issuance of replacement share certificates is made without the consent of the person registered in the register of members as the registered shareholder of the Relevant Shares, the Company shall send a copy of the announcement to be published to the shareholder by post.

- (5) The Company may issue new replacement share certificates to the applicant if it has not received any objection from any person regarding the issue upon the expiration of the 90 day period for the display of the announcement stipulated in paragraphs (3) and (4) of this Article.
- (6) The Company shall immediately cancel the Original Share Certificate upon the issuance of the new replacement share certificate in accordance herewith, and such cancellation and issuance of replacement share certificates shall be entered into the register of members.
- (7) All costs and charges incurred by the Company in the cancellation of the Original Share Certificates and issuance of new replacement share certificates shall be borne by the applicant. The Company shall have the right to refuse taking any action until the applicant has furnished a reasonable guarantee for the settlement of these costs and charges.

#### Article 6.13

For the bona fide purchasers of new share certificates issued in replacement by the Company in accordance herewith or any shareholder subsequently registered as the owner of the said shares (he or she or it being a bona fide purchaser), his or her name shall not be deleted from the register of members.

#### Article 6.14

The Company shall have no obligation to compensate any person who has incurred loss due to the cancellation of the Original Share Certificates or the issue of new replacement certificates, unless such person can prove the Company has committed fraud.

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

#### Article 7.1

A shareholder of the Company shall be a person who is lawfully holding shares in the Company and whose name appears on the register of members.

The rights and obligations of a shareholder shall be dependent on the class and amount of shares held. Shareholders holding the same class of shares shall have among themselves the same rights and obligations.

No power shall be taken to freeze or otherwise impair any of the rights attaching to any share by reason only that the person or persons who are interested directly or indirectly therein have failed to disclose their interests to the Company



#### Article 7.2

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

- (1) In the case of joint holders of shares, only the surviving joint holders shall be deemed by the Company as owners of the relevant shares in the event of the death of one of the joint holders. For the purpose of updating the particulars in the register of members, the directors may request the provision of such evidence of death of the joint holder as they may think fit;
- (2) In relation to joint ownership of any shares, only the joint holder first named in the register of members shall have the right to receive from the Company share certificates in relation to the relevant shares and notices from the Company and to attend general meeting or to exercise all the voting rights in relation to the relevant shares. Any notices served on the abovementioned person shall be deemed to have been served on all joint holders of the relevant shares.
- (3) The number of joint holders shall not exceed 4.

#### Article 7.3

The ordinary shareholders of the Company shall have the right to:

- (1) Receive dividends and other distributions in proportion to the number of the shares held;
- (2) Attend general meetings and vote thereat in person or by proxy;
- (3) Supervise and manage the Company's business operations and present proposals or raise enquiries;
- (4) Transfer shares in accordance with laws, administrative regulations and provisions of the Articles of Association;
- (5) Obtain relevant information in accordance with provisions of the Articles of Association, including:
  1. The receipt of a copy of the Articles of Association, subject to payment of costs;
  2. Subject to payment of reasonable charges, the inspection and making of duplicate copies of:
    - (1) all parts of the register of members;
    - (2) personal particulars of each of the Company's directors, supervisors, chief executive officer and other senior management officers, including his or her:
      - (a) current and former name and alias;
      - (b) principal address (residence);
      - (c) nationality;
      - (d) full-time occupation and all other part-time occupations and duties;
      - (e) identification document and its number.
    - (3) state of the Company's share capital;
    - (4) reports showing the aggregate nominal value, number, maximum and minimum prices paid in respect of each class of shares repurchased by the Company since the end of the last accounting year and the aggregate amount incurred by the Company for this purpose;
    - (5) minutes of general meetings.
- (6) Participate in the distribution of remaining assets of the Company in proportion to the number of

shares held in the event of the termination or liquidation of the Company;

(7) Other rights conferred by laws, administrative regulations and the provisions of the Articles of Association.

#### Article 7.4

The ordinary shareholders of the Company shall assume the following obligations to:

- (1) Abide by the Articles of Association;
- (2) Pay subscription monies according to the number of shares subscribed and the method of subscription;
- (3) Other obligations that shall be assumed under the laws, administrative regulations and the provisions of the Articles of Association.

Shareholders shall not assume the liability to any further contribution to the share capital other than those conditions agreed by the subscriber of the shares at the time of subscription.

#### Article 7.5

In addition to obligations imposed by laws, administrative regulations or required by the stock exchange on which shares of the Company are listed, a controlling shareholder, on the exercise of his or her rights as a shareholder, shall not exercise his or her voting rights to make decisions in respect of the following matters in a manner prejudicial to the interests of all or part of the shareholders of the Company:

- (1) To waive the duty of a director or supervisor to act honestly in the best interests of the Company;
- (2) To approve the expropriation by a director or supervisor (for his or her own benefit or for the benefit of another person), by any means, of the Company's assets, including (but not limited to) opportunities beneficial to the Company;
- (3) To approve the expropriation by a director or supervisor (for his or her own benefit or for the benefit of another person) of the individual rights of other shareholders, including (but not limited to) rights to distributions and voting rights save pursuant to a restructuring submitted to shareholders in a general meeting for approval in accordance with the Articles of Association.

#### Article 7.6

Unless otherwise specifically defined in the Articles of Association, a "controlling shareholder", referred to in the Articles of Association, shall mean a person who fulfils any one of the following conditions:

- (1) Having the power to elect more than half of the board of directors, alone or acting in concert with others;
- (2) Having the power to exercise or to control the exercise 30% or more of the voting rights in the Company, alone or acting in concert with others;
- (3) Holding 30% or more of the issued and outstanding shares of the Company, alone or acting in concert with others;
- (4) Exercising *de facto* control over the Company in any other manner, alone or acting in concert with others.

## CHAPTER 8 - GENERAL MEETINGS

### Article 8.1

The general meeting is constituted of all shareholders. The general meeting is the organ of authority of the Company and shall exercise its functions and powers in accordance with the law.

### Article 8.2

The general meeting shall exercise the following powers:

- (1) To determine the Company's operational directions and investment plans;
- (2) To elect and replace directors and to determine matters in relation to the remuneration of relevant directors;
- (3) To elect and replace supervisors representing shareholders and to determine matters in relation to the remuneration of relevant supervisors;
- (4) To consider and approve the report of the board of directors;
- (5) To consider and approve the report of the supervisory committee;
- (6) To consider and approve the Company's annual financial budgets and final accounts;
- (7) To consider and approve the Company's plans for profit distribution and making up losses;
- (8) To pass resolutions in respect of the increase or reduction the Company's registered capital;
- (9) To pass resolutions in respect of the merger, demerger, dissolution and liquidation of the Company;
- (10) To pass resolutions in respect of bond issues by the Company;
- (11) To pass resolutions in respect of the appointment, removal, or non-renewal of appointment of the certified public accountants;
- (12) To amend the Articles of Association;
- (13) To consider and approve motions submitted by 5% or more of shareholders with voting rights in the Company;
- (14) To determine other matters required by laws, administrative regulations and the Articles of Association to be resolved by general meetings.

### Article 8.3

The Company shall not, without the prior approval of a general meeting, enter into any contract with any person other than a director, supervisor, chief executive officer and other senior management officers whereby the management and administration of the whole or any substantial part of the business of the Company is to be handed over to such person.

### Article 8.4

General meetings are divided into annual general meetings and extraordinary general meetings. The board of directors shall convene general meetings.

Annual general meetings shall be convened annually and shall be held within 6 months after the end of the

preceding accounting year.

The board of directors shall convene an extraordinary general meeting within two months in the event of any one of the following:

- (1) The number of directors being less than the number of directors required by the Company Law or two-thirds of the number of directors provided in the Articles of Association;
- (2) The unrecovered losses of the Company amounting to one third of the total amount of its share capital;
- (3) A request in writing by shareholders holding 10% or more of the Company's issued and outstanding shares carrying voting rights to convene an extraordinary general meeting;
- (4) The convening being deemed necessary by the board of directors or requested by the supervisory committee;
- (5) A request to convene such extraordinary general meeting by more than 2 independent non-executive directors.

#### Article 8.5

Written notice of an annual general meeting shall be given 45 days before the date of the meeting to notify all shareholders on the register of members of the matters to be considered at the meeting and the date and venue of the meeting. A shareholder who intends to attend the meeting shall deliver his or her reply in writing to confirm attendance to the Company 20 days before the date of the meeting.

#### Article 8.6

When the Company convenes an annual general meeting, shareholders holding 5% or more of the total voting shares of the Company shall have the right to propose new motions in writing, and the Company shall include in the agenda matters of the proposed motions that fall within the scope of the powers of the general meeting.

#### Article 8.7

The Company shall calculate the number of voting shares represented by the shareholders who intend to attend the meeting based on the written replies received 20 days before the date of the general meeting from the shareholders. If the number of voting shares represented by the shareholders who intend to attend the meeting reaches one half or more of the Company's total voting shares, the Company may hold the meeting, otherwise the Company shall notify the shareholders again within 5 days by way of a public announcement containing the agenda, date and venue for the meeting. The Company may convene the meeting after the publication of such announcement.

Matters not stated in the notice of an extraordinary general meeting shall not be determined in such meeting.

#### Article 8.8

The notice of general meetings shall comply with the following requirements:

- (1) Be given in writing;
- (2) Specify the venue, date and time of the meeting;
- (3) State the matters to be discussed at the meeting;
- (4) Provide such information and explanations as are necessary for the shareholders to exercise an informed judgment on the proposals to be discussed and, the specific terms of the proposed transaction together with copies of contracts, if any, as well as a proper account of the reasons and consequences of such proposal where a proposal is made including (but not limited to) a merger, share repurchase, restructuring of share capital or otherwise;
- (5) Contain a disclosure of the nature and the extent, if any, of the material interests of any director, supervisor, chief executive officer and other senior management officers in the transaction proposed and the effect of the proposed transaction on them in their capacity as shareholders in so far as it is different from the effect on the interests of the shareholders of the same class;
- (6) Contain the full text of any special resolution proposed to be passed at the meeting;
- (7) Contain an explicit statement that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote on his or her behalf and that a proxy need not be a shareholder;
- (8) Specify the time and venue for lodging written replies and proxy forms for the meeting.

#### Article 8.9

A notice of general meeting shall be served on all shareholders (whether or not entitled to vote at the meeting) personally, by delivery or prepaid post to their addresses as shown in the register of members. For the holders of Domestic Shares, notice of the meetings may be issued by way of public notice. For holders of Overseas-listed Foreign Shares, notice of a general meeting may also be published by means of newspapers (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited).

The public notice referred to in the preceding paragraph shall be published 45 to 50 days before the date of the meeting in one or more newspapers designated by the competent securities authorities of the State Council. Once the public notice is published, all holders of Domestic Shares shall be deemed to have received the notice of the relevant general meeting.

#### Article 8.10

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 meeting and the resolutions passed thereat.

#### Article 8.11

Any shareholder entitled to attend and vote at a general meeting of the Company shall be entitled to appoint one or more persons (whether a shareholder or not) as his or her proxy to attend and vote on his or

her behalf. The proxy so appointed may exercise the following rights in accordance with the mandate by the shareholder:

- (1) The shareholder's right to speak at the meeting;
- (2) The right to demand individually or jointly a poll; and
- (3) The right to vote by a show of hand or on a poll, provided if more than one proxy has been appointed, such proxy may only vote on a poll.

#### Article 8.12

The instrument appointing a proxy shall be in writing under the hand of the appointer or his or her attorney duly authorised in writing or, if the appointer is a legal entity, either under seal or under the hand of a director or an officer or their duly authorised attorney. The instrument appointing a proxy shall clearly state the number of shares the proxy is representing. If more than one proxy has been appointed, the instrument appointing a proxy shall state the number of shares each proxy is representing.

#### Article 8.13

The instrument appointing a voting proxy and, if such instrument is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or other authority, shall be deposited at the residence of the Company or such other place as specified for that purpose in the notice convening the meeting, not less than 24 hours before the time for holding the meeting or 24 hours before the time appointed for the voting.

If the appointer is a legal entity, its legal representative or such person as is authorised by resolution of its board of directors or any other governing body to act as its representative may attend any general meeting of the Company.

If the member is a recognised clearing house (hereinafter referred to as the "recognised clearing house") within the meanings of the relevant ordinances enacted from time to time pursuant to the laws of Hong Kong (other its nominees), it may authorise one or more persons as it deems appropriate to act as its proxy (proxies) on any general meeting or class meeting. However, where more than one person are so authorised, the proxy form shall specify the number and class of shares as represented by each of such persons. A person authorised as such may exercise rights on behalf of the recognised clearing house (or its nominees) as if he or she is an individual shareholder of the Company.

#### Article 8.14

The proxy form issued to a shareholder by the board of directors for the appointment of a proxy shall be in such format as to enable the shareholder to freely choose to instruct the proxy to vote in favour of or against each resolution and to give separate instructions for matters to be voted on under different agenda items. Such form shall contain a statement that in the absence of instructions by the shareholder the proxy may vote as he thinks fit.

A proxy attending a general meeting on behalf of a shareholder shall produce his or her personal identifications and the proxy form signed by the appointer or the legal representative of the appointer or the duly appointed proxy. The proxy form shall specify the execution date.

#### Article 8.15

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or loss of capacity of the appointer or revocation of the proxy or the authority under which the proxy was executed, or transfer of the shares in respect of which the proxy was given, provided that no notice in writing of such death, loss of capacity, revocation or transfer as aforesaid have been received by the Company before the commencement of the meeting concerned.

#### Article 8.16

Resolutions of general meetings shall be passed either as ordinary resolutions or as special resolutions.

The passing of an ordinary resolution shall require votes representing more than one half of the voting rights represented by the shareholders (including proxies) present at the meeting casting in favour of the resolution.

The passing of a special resolution shall require votes representing more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting casting in favour of the resolution.

#### Article 8.17

A shareholder (including proxy) when voting at a general meeting may exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one vote.

#### Article 8.18

At any general meeting, a resolution shall be decided on a show of hands unless a poll is demanded before or after any vote by show of hands by:

- (1) The chairman of the meeting;
- (2) At least 2 shareholders entitled to vote present in person or by proxy;
- (3) One or more shareholders present in person or by proxy representing in aggregate 10% or more of all shares carrying the right to vote at the meeting.

Unless a poll is so demanded, a declaration by the chairman that a resolution has been passed on a show of hands and an entry to that effect into the minutes of the meeting shall be conclusive evidence of the fact without requiring proof to the number or proportion of votes cast in favour of or against such resolution.

The demand for a poll may be withdrawn by the person who has made the same.

Article 8.19

A poll demanded on the election of the chairman of the meeting or the adjournment of the meeting shall be conducted instantly. A poll demanded on any other question shall be conducted at such time as the chairman of the meeting directs, and the meeting may proceed to deal with other businesses, provided that the result of the poll shall be deemed to be a resolution passed at the meeting at which the poll is demanded.

Article 8.20

In case of voting by way of a poll, a shareholder (including proxy) entitled to two or more votes need not cast all his or her votes in the same way.

Article 8.21

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to make a casting vote.

Article 8.22

The following matters shall be passed by an ordinary resolution at a general meeting:

- (1) Work reports of the board of directors and supervisory committee;
- (2) Proposals for distribution of profit and for making up losses formulated by the board of directors;
- (3) Removal of directors and members of the supervisory committee, their remuneration and method of payment;
- (4) Annual budgets, final accounts, balance sheets and income statements and other financial statements of the Company;
- (5) Matters other than those required by laws and administrative regulations or the Articles of Association to be adopted by special resolution.

Article 8.23

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

- (1) The increase or reduction of share capital and the issue of shares of any class, warrants and other similar securities;
- (2) The issue of bonds of the Company;
- (3) The demerger, merger, dissolution and liquidation of the Company;
- (4) Amendments to the Articles of Association;
- (5) Any other matters which have been determined by the general meeting by way of ordinary resolutions as having a material effect on the Company and requiring approval by way of special resolutions.

Article 8.24

Shareholders requisitioning to convene an extraordinary general meeting or a class meeting shall follow the procedures below:



- (1) Two or more shareholders together holding 10% or more of the same class of shares with the right to vote in the class meeting may request the board of directors to convene an extraordinary general meeting or class meeting by signing a request in writing, in one copy or in several copies with identical formats and contents, which shall contain an explanatory account of the agenda to be proposed. The board of directors shall, upon receipt of the aforementioned request, convene an extraordinary general meeting or a class meeting as soon as practicable. The aforementioned number of shares held shall be the number of shares held as at the day on which the shareholders' request is made.
- (2) If the board of directors fails to issue any notices to convene a meeting within 30 days upon receipt of the aforementioned request in writing, the shareholders requisitioning such meeting, may convene the meeting on their own within 4 months after the receipt of the request by the board of directors. Procedures for convening this meeting shall follow as closely as possible procedures for the convening of general meetings by the board of directors.

Any reasonable costs incurred by shareholders in convening a general meeting due to the failure of the board of directors to convene the meeting upon the aforementioned request shall be borne by the Company and deducted by the Company from amounts payable to the defaulting directors.

#### Article 8.25

The general meeting shall be convened and presided over by the chairman. If for any reason the chairman cannot attend the meeting, the deputy chairman shall convene and preside over the general meeting. If both the chairman and the deputy chairman cannot attend the meeting, the board of directors may appoint a director to convene and preside over the general meeting on behalf of the chairman and the deputy chairman. If no chairman has been designated to preside over the general meeting, shareholders attending the general meeting may elect another person to sit as chairman. If for any reason the shareholders are not able to elect a chairman, the shareholder (including his or her proxy) attending the meeting holding the largest number of shares carrying voting rights shall preside over the meeting.

#### Article 8.26

The chairman of the meeting shall determine whether a resolution has been passed and such decision shall be final and conclusive and shall be announced at the meeting and recorded in the minutes of meeting.

#### Article 8.27

If the chairman of the meeting shall have any doubt as to the outcome of any resolution that has been put to vote, he shall cause all votes cast on a poll to be counted. Any shareholder present in person or by proxy who disputes the announcement of the Chairman of the results of any vote may immediately following such announcement demand the votes be counted if the chairman has not already done so, and the Chairman shall thereupon cause the votes to be counted.

#### Article 8.28

If a vote counting is taken at any meeting, the result of such counting shall be duly recorded in the minutes of that meeting.

Resolutions of a general meeting shall be recorded in the minutes of that meeting and signed by the directors attending that meeting. Minutes of the meeting, signed attendance record of shareholders and proxy forms shall be kept at the residence of the Company.

#### Article 8.29

The shareholders may inspect duplicate copies of the minutes of general meetings free of charge during office hours. The Company shall despatch a duplicate copy of the minutes of general meetings to any shareholders requesting the same within 7 days after receipt of reasonable charges.

#### Article 8.30

Where any shareholder is, under the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, required to abstain from voting on any particular resolution or restricted to voting only for or against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

### **CHAPTER 9 - SPECIAL PROCEDURES FOR CLASS VOTING**

#### Article 9.1

Shareholders holding different classes of shares shall be regarded as class shareholders.

Class shareholders shall be entitled to such rights and undertake such obligations as provided by the laws, administrative regulations and the Articles of Association.

#### Article 9.2

The variation or abrogation of class rights by the Company shall require approval at the general meeting by way of a special resolution as well as approval by affected class shareholders at class meetings convened in accordance with Article 9.4 to Article 9.8 hereof.

#### Article 9.3

The following circumstances shall be deemed to be variation or abrogation of the rights of a certain class of shareholders:

- (1) The increase or decrease of the number of shares of such class, or the increase or decrease of the number of shares of another class having voting rights, rights to distribution or other privileges equivalent or superior to the class of shares in question, save for the transfer of shares held by holders of Domestic Shares of the Company to overseas investors for listing and dealing on overseas stock exchanges which have been approved by the securities regulatory and supervisory authorities of the State Council;

- (2) The conversion of all or part of the shares of such class into shares of another class or vice versa or the grant of such conversion rights, save for the transfer of shares held by holders of Domestic Shares of the Company to overseas investors for listing and dealing on overseas stock exchanges which have been approved by the securities regulatory and supervisory authorities of the State Council;
- (3) The cancellation or reduction of the right to receive accrued or accumulated dividends attached to or acquired by such class of shares;
- (4) The reduction or cancellation of preferential rights to dividends or asset distribution in the event of the Company's liquidation attached to the shares of such class;
- (5) The increase, cancellation or reduction of share conversion rights, options, voting rights, rights of transfer, pre-emptive subscription rights and rights to acquire the Company's securities attached to the shares of such class;
- (6) The cancellation or reduction of the right attached to the shares of such class to receive amounts payable by the Company in designated currencies;
- (7) The creation of a new class of shares having voting rights, rights to distribution or other privileges equivalent or superior to those of the class of shares in question;
- (8) The imposition or escalation of restrictions on the right to transfer or own shares in such class;
- (9) The issuance of subscription or conversion rights for the class of shares in question or another class of shares;
- (10) The increase of rights and privileges of shares of another class;
- (11) The restructuring of the Company that would result in different classes of shareholders undertaking liability in the restructuring in a disproportionate manner;
- (12) The variation or abrogation of the terms provided herein.

#### Article 9.4

Shareholders of the affected class, whether or not otherwise having the right to vote at general meetings, shall have the right to vote at class meetings in respect of matters described in paragraphs (2) to (8), (11) to (12) of Article 9.3, provided that interested shareholders shall not vote at class meetings.

The aforementioned "interested shareholder" shall mean the following:

- (1) In the event of a share repurchase by the Company pursuant to the provisions in Article 4.4 by way of a repurchase offer on a pro-rata basis or by open trading through the stock exchange, an "interested shareholder" shall mean the "controlling shareholder" defined in Article 7.6;
- (2) In the event of a share repurchase by an off-market agreement outside the stock exchange pursuant to the provisions of Article 4.4, an "interested shareholder" shall mean a holder of the shares to which the proposed contract relates;
- (3) In the event of the Company's restructuring, an "interested shareholder" shall mean a shareholder within a class who undertakes liability to a lesser extent by proportion compared to other shareholders in the same class or who has an interest different from the interests of other shareholders in that class.

#### Article 9.5

Resolutions of a class meeting shall be passed, in accordance with Article 9.4, by votes representing more than two-thirds of the voting rights of shareholders of that class present at the meeting.

#### Article 9.6

The Company shall give notice of a class meeting in writing 45 days before the date of the class meeting to notify all registered class members of the matters to be considered, the date and venue of the class meeting. A shareholder who intends to attend the class meeting shall deliver his or her written confirmation of attendance 20 days before the date of the class meeting.

The Company may convene the class meeting if the number of shares carrying voting rights at the meeting represented by shareholders who intend to attend the meeting reaches more than one half of the voting shares at the class meeting, otherwise the Company shall notify the shareholders again of the matters to be considered and the date and venue for the meeting by way of an announcement within 5 days. The Company may hold the class meeting after notification by way of such announcement.

#### Article 9.7

Notices of class meetings shall be required to be served only on shareholders who are entitled to vote thereat.

Procedures of class meetings shall be identical with procedures of general meetings insofar as practicable. The provisions herein relating to the manner in which general meetings shall be conducted shall apply to class meetings.

#### Article 9.8

In addition to other class shareholders, holders of Domestic Shares and holders of Overseas-listed Foreign Shares shall be deemed to be shareholders of different classes.

The special procedures for voting at a class meeting shall not apply in the following circumstances:

- (1) The issue of either Domestic Shares or Overseas-listed Foreign Shares or both by the Company at an interval of 12 months with the approval of the general meeting by way of a special resolution, with the number of Domestic Shares and Overseas-listed Foreign Shares proposed to be issued not more than 20% of the number of issued shares outstanding in each class;
- (2) The completion of plans to issue Domestic Shares and Overseas-listed Foreign Shares upon the Company's incorporation within 15 months from the date of approval of such plans by the China Securities Regulatory Commission of the State Council;
- (3) The conversion of Domestic Shares held by holders of Domestic Shares of the Company into H Shares for sale overseas and listing on the Hong Kong Stock Exchange with the approval of the competent securities authorities and permission of the Hong Kong Stock Exchange.

## CHAPTER 10 – BOARD OF DIRECTORS

### Article 10.1

The Company shall have a board of directors, which shall be accountable to the general meeting and reporting thereat. The board of directors shall consist of 17 directors, of which 8 are executive directors and the rest are non-executive directors. The number of independent non-executive directors among the members of the board of directors shall not be less than 3. The board of directors shall have one chairman and one deputy chairman.

### Article 10.2

Directors shall be elected at general meetings for a term of 3 years with effect from the date of election, and may be re-elected and re-appointed for a consecutive term of office upon expiration of their current term.

The notice of the intention to nominate candidates as directors and the candidates' notices of accepting nominations in writing shall be sent to the Company not less than 7 days after the issue of the notice of the general meeting relating to the election of the directors and 7 days before a general meeting is held. The period for lodgement of the notices should be at least 7 days.

Subject to relevant laws and administrative regulations, the general meeting may remove any director before the expiration of his or her term of office by way of an ordinary resolution (without prejudice to any claims for compensation under any contract).

The election and removal of the chairman and the deputy chairman shall require the approval of more than half of all the directors. The chairman and the deputy chairman shall serve for a term of 3 years with effect from the date of election and may be re-elected and re-appointed for a consecutive term.

Directors shall not be required to hold shares in the Company.

### Article 10.3

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

- (1) To convene the general meeting and to present its work report thereat;
- (2) To implement resolutions of the general meetings;
- (3) To determine the Company's business plans and investment plans;
- (4) To formulate the Company's annual financial budgets and final accounts;
- (5) To formulate the Company's plans for profit distribution (including the distribution of the proposed final dividend) and making up losses;
- (6) To formulate proposals for the increase or reduction of the Company's registered capital and the issue of company bonds;

- (7) To draw up plans for the merger, demerger or dissolution of the Company;
- (8) To determine the incorporation of the Company's internal management structure;
- (9) To appoint or dismiss the Company's chief executive officer, and to appoint or dismiss, pursuant to the chief executive officer's nomination, executive president, vice presidents, and financial controller of the Company and to determine their remuneration;
- (10) To formulate the Company's basic management system;
- (11) To formulate proposals for amendments to the Articles of Association;
- (12) To determine the wages level, means of benefits and incentives of the Company subject to the relevant provisions of the State;
- (13) To determine other major business and executive matters which have not been provided in the Articles of Association to be determined by general meetings;
- (14) To formulate major acquisitions or dispositions of the Company;
- (15) To exercise other functions and powers conferred by the general meeting and the Articles of Association.

Other than matters specified in paragraphs (6), (7) and (11) above which shall be approved by the vote of more than two-thirds of the directors, the resolutions of the board of directors in respect of all other matters may be approved by the vote of more than one half of the directors.

#### Article 10.4

The board of directors shall not dispose or agree to dispose of any fixed assets of the Company without the prior approval of a general meeting if the aggregate of the expected consideration for the proposed disposition and the consideration for any disposals of fixed assets of the Company during a period of 4 months immediately preceding the proposed disposal, exceeds 33% of the fixed asset value as shown in the latest balance sheet reviewed by the general meeting.

For the purposes of this Article, the disposal of fixed assets shall include an act involving the transfer of certain interests in assets, but shall not include the provision of security against such fixed assets.

The validity of any transactions of the Company to dispose of fixed assets shall not be prejudiced by any violation of the first paragraph of this Article.

#### Article 10.5

The chairman shall exercise the following functions and powers:

- (1) To preside over general meetings and to convene and preside over board meetings;
- (2) To examine the implementation of resolutions of the board of directors;
- (3) To sign securities issued by the Company;
- (4) To exercise other powers conferred by the board of directors.

The vice chairman shall assist the chairman in his work and shall perform his duties if the chairman is

unable to or cannot perform his duties. More than half of the directors shall jointly nominate a director to perform the duties of the vice chairman if he is unable to or cannot perform his duties.

#### Article 10.6

Board meetings shall be held regularly at least four times every year and convened by the chairman. Notice of a regular board meeting shall be served on all directors and supervisors at least 14 days before the date of the meeting. A regular board meeting does not include the practice of obtaining board consent through the circulation of written resolutions. In case of urgent matters, an extraordinary board meeting may be held upon the request by more than one-tenth of shareholders with voting rights, more than one-third of the directors or supervisors.

#### Article 10.7

Where the time and venue for board meetings have been predetermined by the board of directors and recorded in the minutes of the meetings which have been distributed to all directors at least 10 days prior to the convening of the next board meetings, the notices of these meetings need not be sent to the directors.

If the time and venue for board meetings have not been predetermined by the board of directors, the chairman or the secretary of the board of directors shall notify all directors of the time and venue for board meetings by way of telex, cable, facsimile, express mail, registered post or courier at least 5 days (but not more than 10 days) in advance.

In respect of regular board meetings, an agenda and accompanying board papers should be sent in full to all directors in a timely manner and at least 3 days before the intended date of a board or board committee meeting (or such other period as agreed).

The notice of a board meeting shall be deemed to have been given to a director if he is present at such meeting, despite his disputes of not having received the notice of such meeting prior to or at the meeting.

Board meetings may be conducted by way of telephone conferences or by means of similar telecommunication devices. All directors participating in the conference shall be deemed to have attended the meeting in personal so long as they are able to hear and communicate with one another clearly.

#### Article 10.8

Board meetings may not proceed unless attended by more than half of the directors.

Each director shall have one vote. The resolution of the board of directors shall be passed by more than half of the directors.

#### Article 10.9

A director shall attend board meetings in person. If a director is unable to attend for any reasons, he may appoint in writing other directors to attend the board of directors meeting on his or her behalf. The scope of authorisation shall be stated in the letter of appointment.

The director so appointed shall exercise his or her power within the scope of authorisation. A director who fails to attend and appoint a representative to attend a meeting shall be deemed to have waived his or her rights to vote at that meeting.

#### Article 10.10

Minutes of board meetings and meetings of board committees should record the matters considered by the board and decisions reached, including any concerns raised by the directors or dissenting views expressed. Directors present at the meeting shall sign the minutes of the meeting. Draft and final versions of minutes of board meetings should be sent to all directors for their comment and records respectively, in both cases within a reasonable time after the board meeting is held. The directors shall be responsible for the resolutions passed by the board of directors. Directors participating in a resolution of the board of directors shall be liable to indemnifying the Company against any substantial losses incurred as a result of such resolution contravening any laws, administrative regulations or the Articles of Association, except that directors who have expressed dissent in voting as recorded in the minutes shall be absolved from any liability.

Minutes of board meetings and meetings of board committees should be kept by a duly appointed secretary of the meeting and such minutes should be open for inspection at any reasonable time on reasonable notice by any director.

#### Article 10.11

The board may adopt resolution in writing in place of a meeting of Board. However, the draft resolution must be served on each director personally by means of one of the following ways of personal delivery, post, or facsimile. Once the draft resolution of the board has been served on each of the directors and the number of directors who clearly signed and agreed on the passing of the resolution has reached the quorum and the directors used the above means to return the signed resolution to the secretary of the board, the resolution shall become a resolution of the board without the need of convening a board meeting.

#### Article 10.12

Subject to the exceptions specified in note 1 of Appendix 3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or other rules may approve, a director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) has a material interest nor shall he be counted in the quorum present at the meeting.



When the board meeting is considering a transaction between the Company or any of its subsidiaries and the controlling shareholder of the Company or any subsidiary of that controlling shareholder (excluding the Company and any of its subsidiaries), any directors who also work as directors and/or senior management officers of the Company's controlling shareholders or any subsidiaries of that controlling shareholders shall abstain from voting. In such circumstance, if the relevant directors shall abstain and that there is a tie in the voting of the relevant matter, the chairman of the audit committee of the board shall have the right to make a casting vote (non-abstaining vote). If the chairman of the audit committee of the board is absent from that meeting, an independent non-executive board shall be designate to exercise the above right.

For the definition of "controlling shareholder" and " subsidiary" referred to in this Article, please refer to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

#### Article 10.13

If a substantial shareholder (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) or a director has a conflict of interest in a matter to be considered by the board which the board has determined to material, the matter should not be dealt with by way of circulation or by a committee (except an appropriate board committee set up for that purpose pursuant to a resolution passed in a board meeting) but a board meeting should be held. Independent non-executive directors who, and whose associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited), have no material interest in the transaction should be present at such board meeting.

#### Article 10.14

The board may establish certain special committees according to needs. Special committees shall perform their work in accordance with the board's mandate and shall be accountable to the board. The rules of meetings and work duties of each committee shall be formulated by the board. Each committee shall formulate its annual work plan and convene regular meetings.

### **CHAPTER 11 - SECRETARY TO THE BOARD OF DIRECTORS OF THE COMPANY**

#### Article 11.1

The Company shall have a secretary of the board of directors. The secretary of the board of directors shall be a senior management officer of the Company.

#### Article 11.2

The secretary of the Company's board of directors shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed by the board of directors. His or her primary responsibilities shall be:

- (1) To undertake that the Company has complete organisational documents and records;
- (2) To ensure that the Company, in accordance with the law, prepares and delivers those reports and

documents required by the authorities entitled thereto;

- (3) To undertake that the Company's register of members are properly maintained, and that persons entitled to the Company's records and documents are furnished with the relevant records and documents without delay.

#### Article 11.3

A director or other senior management officers of the Company may hold the post of the secretary of the board of directors concurrently. An accountant of the certified public accountants engaged by the Company shall not act as the secretary of the board of directors concurrently.

When the post of company secretary is held by a director concurrently, any act that is required to be done by a director and the secretary shall not be done by the same person acting in his or her dual capacity.

### CHAPTER 12

#### CHIEF EXECUTIVE OFFICER, EXECUTIVE PRESIDENT AND VICE PRESIDENTS OF THE COMPANY

#### Article 12.1

The Company shall have one chief executive officer, one executive president and a number of vice presidents, the appointment or dismissal of which shall require the approval of the board of directors.

#### Article 12.2

The chief executive officer shall be accountable to the board of directors and shall exercise the following functions and powers:

- (1) To be in charge of the Company's production, operation and management and to organise the implementation of resolutions of the board of directors;
- (2) To organise the implementation of the Company's annual operation plans and investment plans;
- (3) To draw up plans for the incorporation of the Company's internal management structure;
- (4) To draw up the Company's basic management system;
- (5) To formulate basic rules and regulations of the Company;
- (6) To propose the appointment or dismissal of the Company's executive president, vice presidents and financial controller;
- (7) To appoint or dismiss senior management officers other than those required to be appointed or dismissed by the board of directors;
- (8) To exercise other powers conferred by the Articles of Association and the board of directors.

#### Article 12.3

The chief executive officer shall be in attendance at board meetings, provided that a chief executive officer who is not a director shall have no voting rights at such meetings.

Article 12.4

The chief executive officer shall act in honesty and diligence in accordance with the laws, administrative regulations and the Articles of Association in the discharge of his or her duties.

**CHAPTER 13 - SUPERVISORY COMMITTEE**

Article 13.1

The Company shall have a supervisory committee.

Article 13.2

The supervisory committee shall comprise 6 supervisors, with one of them as the chairman, the election and removal of whom shall require the approval of two thirds or more of the members of the supervisory committee. The term of office of the chairman shall be 3 years, renewable upon re-election and re-appointment.

Article 13.3

The supervisory committee shall comprise 2 supervisors representing the shareholders, 2 supervisors representing employees and 2 independent supervisors. The supervisor representing shareholders and the independent supervisors shall be elected and removed by the general meeting; the representative of the Company's employees shall be elected and removed by the Company's employees through democratic procedures.

The term of a supervisor appointed by a general meeting or employees of the Company to fill a casual vacancy shall become effective from the date of election until the expiry date of the current session of the supervisory committee.

Article 13.4

Directors, the chief executive officer and other senior management officers of the Company shall not hold the post of supervisor concurrently.

Article 13.5

The supervisory committee shall have at least two meetings a year which shall be convened by the chairman of the supervisory committee. More than half of the supervisors shall jointly nominate a supervisor to convene and preside over the meeting of the supervisory committee if the chairman of the supervisory committee is unable to or cannot perform his duties.

Article 13.6

The supervisory committee shall be accountable to the general meeting and shall exercise the following functions and powers in accordance with the law:

- (1) To examine the Company's financial matters;

- (2) To monitor any acts of the directors, chief executive officer and other senior management officers in contravention to the laws, administrative regulations or the Articles of Association in the discharge of duties at the Company;
- (3) To demand rectification from a director, chief executive officer or other senior management officers when the acts of such persons are harmful to the Company's interest;
- (4) To verify such financial information as financial reports, business reports and plans for profit distribution submitted by the board of directors to general meetings and to appoint certified public accountants or auditors in the name of the Company for re-examination in case of doubt;
- (5) To propose the convening of extraordinary general meetings;
- (6) To represent the Company in negotiations with or legal proceedings against a director;
- (7) To exercise other powers specified in the Articles of Association.

Members of the supervisory committee shall be present at board meetings.

#### Article 13.7

A meeting of the supervisory committee may be held only if all supervisors are present. In the exceptional circumstances where supervisors are unable to attend an extraordinary meeting of the supervisory committee, the quorum of the meeting may be reduced to two-thirds of the total number of supervisors.

Resolutions of the supervisory committee shall be passed by two-thirds or more of the total number of supervisors.

#### Article 13.8

The Company shall bear all reasonable costs for engaging professionals, such as lawyers, certified public accountants or auditors engaged by the supervisory committee in the discharge of its duties.

#### Article 13.9

The supervisors shall perform their supervisory duties honestly in accordance with the laws, administrative regulations and the Articles of Association.

### CHAPTER 14

#### QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, SUPERVISORS, CHIEF EXECUTIVE OFFICER AND OTHER SENIOR MANAGEMENT OFFICERS OF THE COMPANY

#### Article 14.1

A person falling under one of the following may not serve as a director, supervisor, chief executive officer or other senior management officer of the Company:

- (1) A person without civil or with restricted civil capacity;
- (2) A person who has been convicted and sentenced for offences in corruption, bribery, expropriation of property, misappropriation of property or sabotage of the social economic order, or who has been deprived of his or her political rights, in each case where less than 5 years have elapsed since the

date of expiry of such sentence or deprivation;

- (3) A person who is a former director, factory manager or manager of a company or enterprise personally liable for the bankruptcy of such company or enterprise which has become bankrupt or has been liquidated because of mismanagement, where less than 3 years have elapsed since the date of the completion of the liquidation of the company or enterprise;
- (4) A person who is a former legal representative of and personally liable for a company or enterprise which has its business licence revoked due to violation of the law, where less than 3 years have elapsed since the date of the revocation of the business licence;
- (5) A person who has a relatively large amount of personal debts due and outstanding;
- (6) A person who is under criminal investigation by judicial authority for violation of the criminal law, which case has not yet been concluded;
- (7) A person who is ineligible for enterprise leadership according to laws and administrative regulations;
- (8) A non-natural person;
- (9) A person convicted by relevant competent authorities of contravention of provisions of relevant securities laws and regulations involving acts of fraudulence or dishonesty, where less than 5 years have elapsed since the date of such conviction.

#### Article 14.2

The validity of an act of a director, chief executive officer or other senior management officer on behalf of the Company vis-à-vis a bona fide third party shall not be affected by any irregularity in his or her office, election or any defect in his or her qualifications.

#### Article 14.3

In addition to obligations imposed by laws, administrative regulations or the stock exchanges on which the shares of the Company are listed, each of the Company's directors, supervisors, chief executive officer and other senior management officers shall owe a duty to each shareholder in the discharge of the functions and powers conferred by the Company:

- (1) Not to cause the Company to exceed the scope of the business stipulated in its business licence;
- (2) To act honestly in the best interest of the Company;
- (3) Not to expropriate by any means the Company's property, including (but not limited to) opportunities beneficial to the Company;
- (4) Not to expropriate the individual rights of shareholders, including (but not limited to) rights to distribution and voting rights, save pursuant to a restructuring of the Company approved at the general meeting in accordance with the Articles of Association.

#### Article 14.4

The Company's directors, supervisors, chief executive officer and other senior management officers shall have the duty to act with such care, diligence and skill as a reasonably prudent person would exercise in comparable circumstances in the performance or discharge of his or her rights or obligations.

#### Article 14.5

The Company's directors, supervisors, chief executive officer and other senior management officers must observe the fiduciary principle in the discharge of his or her duties and shall not put him or her in a position where his or her interests may be in conflict with obligations undertaken. This principle shall include (but not limited to) the performance of the following obligations:

- (1) To act honestly in the best interests of the Company;
- (2) To exercise functions and powers within their scopes and not to exceed them;
- (3) To exercise the discretion vested in him personally without allowing himself or herself to be under the control of another and not to delegate his or her discretionary powers to other parties unless permitted by laws, administrative regulations or with the consent of shareholders in general meeting on an informed basis;
- (4) To treat shareholders of the same class in equality and shareholders of different classes in equity;
- (5) To refrain from entering into any contract, transaction or arrangement with the Company except in accordance with the Articles of Association or with the consent of shareholders in general meeting on an informed basis;
- (6) To refrain from using the Company's property for his or her own benefit without the consent of shareholders in general meeting on an informed basis;
- (7) To refrain from exploiting his or her position to accept bribes or other illegal income or to expropriate by any means the Company's property, including (but not limited to) opportunities beneficial to the Company;
- (8) To refrain from accepting commissions in connection with the Company's transactions without the consent of shareholders in general meeting on an informed basis;
- (9) To abide by the Articles of Association, discharge his or her duties in good faith, protect the Company's interests and refrain from exploiting his or her position and powers at the Company to advance his or her personal interests;
- (10) To refrain from competing with the Company in any form without the consent of shareholders in general meeting on an informed basis;
- (11) To refrain from misappropriating the Company's funds or lending such funds to other parties, open accounts in the name of himself or herself or other parties for the deposit of the Company's assets and provide any guarantee against the Company's assets in relation to personal debts owed by shareholders of the Company or other individuals;
- (12) To refrain from disclosing information of the Company acquired during his or her term of office without the consent of shareholders in general meeting on an informed basis and to refrain from using such information other than for the interests of the Company, save that disclosure of such information to the court or other governmental authorities shall be permissible if such disclosure is:
  1. Legally required;
  2. In the interests of the public;
  3. In the personal interests of the directors, supervisors, chief executive officer and other senior management officers.

#### Article 14.6

The directors, supervisors, chief executive officer and other senior management officers of the Company shall not cause the following persons or institutions (“associates”) to engage in activities their engagement of which is prohibited:

- (1) Spouses or minor children of such directors, supervisors, chief executive officer or other senior management officers
- (2) Persons acting in the capacity of a trustee of such directors, supervisors, chief executive officer and other senior management officers or persons referred to in paragraph (1) herein;
- (3) Persons acting in the capacity of a partner of such directors, supervisors, chief executive officer and other senior management officers or any persons referred to in paragraphs (1) and (2) herein;
- (4) Companies in which such directors, supervisors, chief executive officer and other senior management officers exercise de facto control, whether solely or jointly with persons referred to in paragraphs (1), (2) and (3) herein or other directors, supervisors, chief executive officer and other senior management officers of the Company;
- (5) The directors, supervisors, chief executive officer or other senior management officers of the companies under control referred to in paragraph (4) herein.

#### Article 14.7

The fiduciary duties of the directors, supervisors, chief executive officer and other senior management officers of the Company shall not necessarily cease with the termination of their tenure. Their duty to keep confidential the business secrets of the Company shall survive the termination of their tenure. Other duties may continue for such period as may be required by the principle of equity, depending on the length of the period between the timing of events in question and the date of their departure from office, as well as the circumstances and conditions under which their relationships with the Company are terminated.

#### Article 14.8

Save in the circumstances provided in Article 7.5, the directors, supervisors, chief executive officer or other senior management officers of the Company may be released from any liability for breaches of a specific obligation by the consent of shareholders in general meeting on an informed basis.

#### Article 14.9

Where the directors, supervisors, chief executive officer or other senior management officers of the Company hold, directly or indirectly, material interests in a contract, transaction or arrangement (other than their contract of service with the Company) with the Company, whether executed or proposed, they shall declare the nature and extent of their interests to the board of directors as soon as practicable, whether or not such matters normally requires the approval of the board of directors.

Unless the interested directors, supervisors, chief executive officer or other senior management officers of the Company disclose their interests to the board of directors in accordance with the foregoing paragraphs herein, and the contracts, transactions, or arrangements have been approved by the board of directors at a

meeting at which the interested directors, supervisors, chief executive officer or other senior management officers are not counted in the quorum and have refrained from voting, the Company shall have the right to revoke such contracts, transactions or arrangements, except as against a bona fide party thereto acting without knowledge of the breach of obligation by the interested directors, supervisors, chief executive officer or other senior management officers.

Directors, supervisors, chief executive officer or other senior management officers of the Company shall be deemed to be interested in a contract, transaction or arrangement in which their associates are interested.

#### Article 14.10

Where a director, supervisor, chief executive officer or other senior management officer of the Company gives to the board of directors a notice in writing stating that, by reason of the facts specified in the notice, he or she is interested in contracts, transactions or arrangements which will subsequently be entered into by the Company, such directors, supervisors, chief executive officer or other senior management officers shall be deemed to have made disclosure prescribed in the foregoing paragraphs of this Chapter to the extent of what have been clearly explained in the notice, provided that such notice shall have been given before the question of entering into the relevant contracts, transactions or arrangements is first taken into consideration on behalf of the Company.

#### Article 14.11

The Company shall not, by any means, pay taxes for its directors, supervisors, chief executive officer or other senior management officers.

#### Article 14.12

The Company shall not extend any loans or provide any guarantee in connection with the extension of a loan, whether directly or indirectly, to the directors, supervisors, chief executive officer or other senior management officers of the Company and the Company's holding company or any of their respective associates.

Provisions of the foregoing paragraph shall not apply to the following:

- (1) The provision by the Company of a loan or a guarantee for a loan to a subsidiary of the Company;
- (2) The provision by the Company of a loan, a guarantee for a loan or any other funds to any of its directors, supervisors, chief executive officer and other senior management officers for the purposes of the Company or for the purpose of enabling him or her to reimburse costs incurred as a result of the discharge of his or her duties, in accordance with the terms of a service contract approved by the general meeting; and
- (3) The Company may make a loan or a guarantee of a loan to any of the relevant directors, supervisors, chief executive officer or other senior management officer and their respective associates on normal commercial terms, provided that the ordinary course of business of the Company includes the



lending of money or the provision of loan guarantees.

Article 14.13

A loan made by the Company in breach of the preceding article above shall be repaid forthwith by the recipient of the loan regardless of any terms thereof.

Article 14.14

A guarantee provided by the Company in breach of the prohibitions provided in Article 14.12(1) herein shall be unenforceable against the Company, unless:

- (1) The lender is unaware at the time of the provision of the guarantee that the guarantee has been provided in connection with a loan to an associate of a director, supervisor, chief executive officer and other senior management officers of the Company or its holding company;
- (2) The security provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.

Article 14.15

The "guarantee" referred to in the preceding Article shall include the assumption of any liability by the guarantor or the provision of property as collateral to guarantee the performance of obligations by the obligor.

Article 14.16

Save for the rights and remedies provided by laws and administrative regulations, where the directors, supervisors, chief executive officer or other senior management officers of the Company are in breach of his or her duties to the Company, the Company shall have the right to:

- (1) Demand the relevant directors, supervisors, chief executive officer and other senior management officers to indemnify the Company against losses sustained as a result of their misconduct;
- (2) Rescind any contract or transaction entered into by the Company with the relevant directors, supervisors, chief executive officer and other senior management officers or with a third party (where such third party knew or is supposed to know that such directors, supervisors, chief executive officer, deputy chief executive officer and other senior management officers representing the Company are in breach of their duties owed to the Company);
- (3) Demand the relevant directors, supervisors, chief executive officer and other senior management officer to surrender profits made as a result of acts in breach of their duties;
- (4) Recover any monies received by the relevant directors, supervisors, chief executive officer and other senior management officers which should have been received by the Company, including (but not limited to) commissions;
- (5) Demand the relevant directors, supervisors, chief executive officer and other senior management officers to reimburse interest which have or may have been earned upon amounts that should have been paid to the Company.

#### Article 14.17

The Company shall enter into a contract in writing with each of the directors or supervisors with regard to remuneration, with the prior approval of the general meeting. The aforesaid remuneration shall include:

- (1) Remuneration for his or her service as a director, supervisor or senior management officer of the Company;
- (2) Remuneration for his or her service as a director, supervisor or senior management officer of any subsidiary of the Company;
- (3) Remuneration for the provision of other services in connection with the management of the Company and its subsidiaries;
- (4) Payments by way of compensation for loss of office or retirement of such director or supervisor.

Except under a contract described in the foregoing, no proceedings shall be brought by a director or supervisor against the Company for benefits due to him or her in connection with the aforesaid matters.

#### Article 14.18

The contract relating to remuneration entered into between the Company and each of its directors or supervisors shall provide that, subject to prior approval of the general meeting, such director and supervisor of the Company shall have the right to receive compensation or other payments in respect of his or her loss of office or retirement in the event of a takeover of the Company. A "takeover of the Company" referred to in the foregoing shall mean either one of the following:

- (1) A general offer made by any person to all shareholders;
- (2) A general offer made by any person for the purpose of becoming a "controlling shareholder", which definition shall be the same as in Article 7.6 herein.

If such director or supervisor does not comply with the above, any sum so received by him or her shall be reverted to persons who have sold their shares in acceptance of the aforesaid offer. The expenses incurred in distributing such sum pro rata amongst such persons shall be borne by such director or supervisor but not paid out of that sum.

### **CHAPTER 15 - FINANCIAL AND ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION**

#### Article 15.1

The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and PRC accounting standards formulated by competent finance authorities of the State Council.

#### Article 15.2

The Company shall prepare a financial report at the end of each financial year for audit by certified public accountants in accordance with the law.

The accounting year of the Company shall adopt with the calendar year, which shall commence on 1 January and end on 31 December of each calendar year. The recording currency of the Company's accounts shall be Renminbi.

#### Article 15.3

The board of directors of the Company shall place before the shareholders at every annual general meeting such financial reports required to be prepared by the Company in accordance with the laws, administrative regulations and standardised directives promulgated by local governments and competent authorities.

#### Article 15.4

The Company's financial reports shall be made available for shareholders' inspection at the Company 20 days before the date of annual general meeting. Each shareholder shall be entitled to obtain a copy of the said financial reports mentioned in this Chapter.

A copy of the financial report, accompanied by the balance sheet (including every document required by PRC laws and administrative regulations to be annexed thereto) and profit and loss account or income and expenditure account (inclusive of the aforesaid report) or the summary financial report shall, at least 21 days before the date of the general meeting, be delivered or sent by prepaid post by the Company to every holder of Overseas-listed Foreign Shares at the address shown in the register of members.

#### Article 15.5

The financial statements of the Company shall, in addition to being prepared in accordance with the PRC accounting standards and regulations, be prepared in accordance with either the international accounting standards or the accounting standards of the place of overseas listing. If there are any material differences between the respective financial statements prepared in accordance with the two accounting standards, such difference shall be stated in the notes to financial statements. The distribution of profit after tax for the relevant accounting year of the Company shall be the lower of the profit after tax as shown in the two financial statements.

#### Article 15.6

Any interim results or financial information published or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations, and also in accordance with either the international accounting standards or the accounting standards of the place of overseas listing.

#### Article 15.7

The Company shall publish its financial reports twice every accounting year, including the interim financial report to be published within 60 days after the first six months of each accounting year and the annual financial report to be published within 120 days after the end of each accounting year.

#### Article 15.8

The Company shall not set up separate accounting books other than its statutory books of accounts.

#### Article 15.9

The Company shall comply with the formalities and public announcement in accordance with the relevant PRC securities laws and administrative regulations and the rules of stock exchange where the shares of the Company are listed upon completion of the interim accounting report and the annual accounting report.

#### Article 15.10

Upon the distribution of the profit after tax of the Company for the current year, 10% of the profit after tax shall be transferred to the statutory surplus reserve. The Company may cease to transfer funds to the statutory surplus reserve when the accumulated amount of such reserve reaches 50% or above of the registered capital of the Company.

Profit of the current year shall be applied to make up the Company's losses of the previous years prior to any transfers to the statutory surplus reserve in accordance with the provisions of the foregoing paragraph if the Company's statutory surplus reserve is not sufficient for making up such losses.

The Company may make transfers from its profit after tax to the discretionary surplus reserve with the approval of the general meeting after making transfers from the same to the statutory surplus reserve.

The balance of the Company's profit after making up losses and transfers to the surplus reserves shall be distributed to the shareholders on a pro-rata basis in accordance with their shareholdings.

Any distribution of profit to shareholders by the general meeting before losses are made up and transfers to the statutory surplus reserve in contravention to the provisions of the foregoing paragraph must be returned by the shareholders to the Company. Shares in the Company held by the Company will not participate in the distribution of profit.

#### Article 15.11

The capital reserve shall include the following funds:

- (1) Premium received for shares issued at a premium to the nominal value;
- (2) Other income as directed by competent financial authorities of the State Council to be transferred to the capital reserve.

#### Article 15.12

The Company's reserve may only be applied for making up the Company's losses, expanding the business and production of the Company or to increase the capital of the Company. However, capital reserve shall not be used for making up losses of the Company.

In the event of a transfer of statutory reserve to capital, the balance of such reserve shall not be less than 25% of the registered capital of the Company prior to the transfer.

Article 15.13

Subject to the limitations in Articles 15.10, 15.11 and 15.12 of the Articles of Association, dividends (by means of cash or shares) shall be paid on a pro-rata basis according to the proportion of shareholdings within 2 months after the date of the general meeting on which the dividend distribution plan is passed.

Article 15.14

The Company may distribute dividends in the form of:

- (1) Cash;
- (2) Shares.

Article 15.15

When distributing dividends, the Company shall withhold tax payable on dividends on behalf of shareholders in accordance with PRC tax laws.

Article 15.16

Subject to the approval of the general meeting, the board of directors may declare interim or special dividends of the Company.

Article 15.17

The Company shall appoint receiving agents to receive on behalf of the holders of Overseas-listed Foreign Shares in respect of the distribution of dividend and other monies payable by the Company on Overseas-listed Foreign Shares.

The receiving agent appointed by the Company shall meet the requirements of the relevant provisions of the law or the rules of the stock exchange of the place where the shares of the Company are listed.

The receiving agent of funds appointed on behalf of the holders of Overseas-listed Foreign Shares listed on the Hong Kong Stock Exchange shall be a trust company registered under the Trustee Ordinance of Hong Kong.

Article 15.18

In respect of dividend warrants sent by post, the Company shall be entitled to cease sending dividend warrants by post in the following circumstances:

- (1) the dividend warrants have been left uncashed on two consecutive occasions; or

- (2) the first occasion on which such a dividend warrant is returned undelivered.

#### Article 15.19

The Company shall forfeit any unclaimed dividends upon the expiration of 6 years or thereafter from the date of declaration of the relevant dividends of the Company.

#### Article 15.20

Subject to the following two requirements, the Company shall be entitled to sell the shares of a shareholder who is untraceable:

- (1) During a period of 12 years at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed; and
- (2) On expiry of the 12 years the Company gives a notice of its intention to sell the shares by way of an advertisement published in the newspapers (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and notifies the Hong Kong Stock Exchange of such intention.

### **CHAPTER 16 - APPOINTMENT OF CERTIFIED PUBLIC ACCOUNTANTS' FIRM**

#### Article 16.1

The Company shall appoint an independent certified public accountants' firm qualified under the relevant regulations of the State to audit the Company's annual financial report and review the Company's other financial reports.

The first certified public accountants' firm of the Company may be appointed by the inaugural meeting of the Company before the first annual general meeting is held and the certified public accountants' firm so appointed shall hold office until the conclusion of the first annual general meeting.

If the inaugural meeting does not exercise its powers under the preceding paragraph, such powers shall be exercised by the board of directors.

#### Article 16.2

The certified public accountants' firm appointed by the Company shall hold office from the conclusion of the annual general meeting when the appointment was made until the conclusion of the next annual general meeting.

#### Article 16.3

The certified public accountants' firm appointed by the Company shall have the following rights:

- (1) To inspect the accounts, records or proofs of the Company at any time and to request the directors, chief executive officer or other senior management officers to provide relevant information and explanations;
- (2) To request the Company to use all reasonable endeavours to obtain from its subsidiaries information and explanations requisite for the discharge of duties by the certified public accountants' firm;
- (3) To attend general meetings, to receive the notice of meeting or other materials related to the meetings that a shareholder is entitled to receive and to speak at any general meetings in respect of any matters that involves its capacity as the certified public accountants' firm of the Company.

#### Article 16.4

The board of directors may fill any casual vacancy in the office of the certified public accountants' firm before the convening of the general meeting, provided other incumbent certified public accountants' firms of the Company, if any, may continue to act so long as such vacancy continues.

#### Article 16.5

The certified public accountants' firm may be removed by the general meeting by an ordinary resolution before the expiration of its term of office, regardless of the provisions of any terms of the contract between the certified public accountants' firm and the Company, but without prejudice to the rights of the certified public accountants' firm to claim for damages in respect of such removal.

#### Article 16.6

The remuneration of a certified public accountants' firm or the manner in which such remuneration shall be ascertained shall be determined by the general meeting. The remuneration of a certified public accountants' firm appointed by the board of directors shall be determined by the board of directors.

#### Article 16.7

The Company's appointment, removal and non-reappointment of a certified public accountants' firm shall be resolved by the general meeting and reported to the competent securities authorities of the State Council for record.

#### Article 16.8

Where a resolution is passed at a general meeting to appoint a certified public accountants' firm, other than an incumbent firm, to fill a casual vacancy in the office of the certified public accountants' firm, or to re-appoint a certified public accountants' firm which was appointed by the board of directors to fill a casual vacancy, or to remove the certified public accountants' firm before the expiration of its term of office, the following provisions shall apply:

- (1) A copy of the proposal shall be sent before notice of meeting is given to the shareholders to the certified public accountants' firm proposed to be appointed or proposing to leave his post or which

has left its post (leaving includes leaving by removal, resignation and retirement).

- (2) If the certified public accountants' firm leaving its post makes representations in writing and requests their notification to, the Company shall (unless the representations are received too late):
  1. in any notice of the resolution given to shareholders, state the fact of the representations having been made;
  2. send a copy of the representations to every shareholder entitled to notice of general meeting.
- (3) If the relevant certified public accountants' firm's representations are not sent under the preceding paragraph (2), the relevant certified public accountants' firm may require that the representations read out at the general meeting and may make further claims.
- (4) A certified public accountants' firm which is leaving its post shall be entitled to attend:
  1. The general meeting at which its term of office would otherwise have expired;
  2. Any general meeting at which it is proposed to fill the vacancy caused by its removal;
  3. Any general meeting convened on its voluntary resignation.

The certified public accountants' firm which is leaving its post shall be entitled to receive all copies of notices of, and other communications relating to, the aforesaid meeting, and to be heard at any such meeting which it attends on any part of the business of the meeting which concerns it as the former certified public accountants' firm of the Company.

#### Article 16.9

The Company shall give prior notice to the certified public accountants' firm which is to be removed or not to be reappointed. The certified public accountants' firm shall have the right to state its opinion at the general meeting. Where resignation is proposed by the certified public accountants' firm, it shall make clear to the general meeting whether or not there are any irregularities on the part of the Company.

#### Article 16.10

The certified public accountants' firm may resign its office by depositing at the Company's residence a resignation notice which shall become effective on the date on which it is deposited or such later date as may be specified therein. Such notice shall include the following:

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

#### Article 16.11

Where a notice is deposited under Article 16.10 of the Articles of Association, the Company shall within 14 days send a copy of the notice to the competent authority. If the notice contains a statement under Article 16(2) of the Articles of Association, a copy of the notice shall also be sent to every person entitled to obtain a copy of the Company's financial statements.



Article 16.12

Where the notice of resignation of the certified public accountants' firm contains a statement under Article 16.10 of the Articles of Association, it may require the board of directors to convene an extraordinary general meeting for the purpose of receiving an explanation of the circumstances connected with its resignation.

**CHAPTER 17 - INSURANCE**

Article 17.1

The Company shall maintain any insurance policies with PRC registered insurance companies which are permitted under PRC laws to provide insurance services to PRC companies.

Article 17.2

The board of directors shall discuss and determine the coverage, sums assured, period and other terms of insurance policies in accordance with the practice of similar industries in other countries and the practice and legal requirements of the PRC.

**CHAPTER 18 - LABOUR MANAGEMENT**

Article 18.1

The Company shall formulate systems of labour management, personnel management, wages, benefits and social insurance of the Company in accordance with the PRC laws, regulations and relevant administrative rules.

Article 18.2

The Company shall implement an appointment system for management staff and a contract system for general staff. The Company shall determine its own deployment of staff and shall have its own right in recruitment and shall terminate its management and general staff in accordance with the provisions of laws and contracts.

Article 18.3

The Company shall have the right to determine wage income and benefits of the management and general staff of the Company on its own in accordance based on its own economic efficiency and within the scope specified by the relevant administrative rules.

Article 18.4

Pursuant to the relevant administrative rules of the PRC government and local governments, the Company shall arrange the medical, retirement and unemployment insurances for its management staff and general staff and implement the laws, regulations and the relevant provisions relating to the labour insurance on retired and unemployed workers.

## CHAPTER 19 - TRADE UNION ORGANISATION AND PARTY ORGANISATION

### Article 19.1

Workers of the Company shall have the right to organise trade union, conduct trade union activities and safeguard the legal interests of workers in accordance with the PRC Trade Union Law. The Company shall provide conditions which are prerequisite for the activities of the trade union of the Company. The trade union shall represent the workers in entering into a collective contract with the Company in respect of labour emoluments, working hours, benefits, insurance and labour safety and health in accordance with the law.

The Company shall practise democratic management through worker representatives' meetings or other means in accordance with the constitution and the provisions of the relevant laws.

The Company shall listen to the opinions of the trade union of the Company, and to listen to the opinions and recommendations of the workers through worker representatives' meetings or other means when the Company is studying major issues of conversion and operations, as well as formulating important regulations and systems.

### Article 19.2

The Company shall establish an organisation of the Chinese Communist Party and conduct party activities in accordance with the provisions of the constitution of the Chinese Communist Party. The Company shall provide conditions which are prerequisite for the activities of the party organisation of the Company.

## CHAPTER 20 - MERGER AND DEMERGER OF THE COMPANY

### Article 20.1

Any merger or demerger of the Company shall be proposed by the board of directors and once it has been passed pursuant to the procedures stipulated in the Articles of Association, the relevant approval procedures shall be carried out in accordance with the law. A shareholder who objects to the merger or demerger plan shall be entitled to request the Company or shareholders who agree to the merger or demerger plan to purchase his or her shares at a fair price. The contents of the resolution on merger or demerger of the Company shall be made into a special document to be available for inspection by shareholders. A copy of the said document shall be sent by post to holders of Overseas-listed Foreign Shares.

### Article 20.2

Merger shall be effected by two methods: merger by absorption or merger by creation of a new entity.

In a merger of the Company, all parties to a merger shall sign the merger agreement and shall prepare their respective balance sheets and inventory lists of assets. The Company shall notify its creditors within 10 days upon passing the merger resolution and to make public announcements in newspapers within 30 days.

Subsequent to the merger of the Company, the debts due to and by the parties to the merger shall be assumed by the surviving or new company.

#### Article 20.3

In a demerger of the Company, the assets of the Company shall be divided accordingly.

In a demerger of the Company, all parties to the demerger shall sign the demerger agreement and shall prepare their respective balance sheets and inventory lists of assets. The Company shall notify its creditors within 10 days upon passing the demerger resolution and to make public announcements in newspapers within 30 days.

Debts due by the Company prior to the demerger shall be assumed by the demerged companies.

#### Article 20.4

Where registration particulars are changed as a result of the Company's merger or demerger, applications shall be made in accordance with the law to register any changes in registration particulars with the company registration authority. The Company shall proceed with the cancellation of its registration according to the law if the Company is dissolved. The Company shall proceed with the registration of the new company in accordance with the law if a new company is established.

### CHAPTER 21 - DISSOLUTION AND LIQUIDATION OF THE COMPANY

#### Article 21.1

The Company shall be dissolved and liquidated in accordance with the law in the event of any of the following events:

- (1) A resolution of the general meeting to dissolve the Company;
- (2) Dissolution required by the merger or demerger of the Company;
- (3) The Company being legally declared insolvent due to its failure to repay debts due;
- (4) The Company being ordered to be closed down because of its violation of laws and administrative regulations.

Where the Company is dissolved pursuant to paragraphs (1), (3) and (4) in the foregoing article, the Company shall form a liquidation committee within 15 days of the event and commence liquidation. The members of the liquidation committee shall be endorsed by directors or at a general meeting by an ordinary resolution. Creditors may apply to the people's court for the appointment of a liquidation committee formed by relevant persons to proceed with the liquidation if a liquidation committee has not

been formed after the lapse of the prescribed period.

#### Article 21.2

Where the board of directors proposes to liquidate the Company (other than the Company has been declared insolvent), the board of directors shall include a statement in its notice convening a general meeting to consider the proposal to the effect that, after making full enquiry into the affairs of the Company, the board of directors is of the opinion that the Company will be able to pay its debts in full within 12 months from the commencement of the liquidation. Upon passing the resolution in general meeting for the liquidation of the Company, all functions and powers of the board of directors shall cease.

The liquidation committee shall act in accordance with the instructions of the general meeting to make a report at least once every year to the general meeting on the committee's receipts and payments, the business of the Company and the progress of the liquidation and to present a final report to the general meeting on completion of the liquidation.

#### Article 21.3

The liquidation committee shall inform creditors within 10 days of its incorporation and make public announcements in the newspapers within 60 days. Creditors shall report to the liquidation committee the debts due to them within 30 days upon receipt of notice or within 45 days from the date of the public announcement if no notice is received.

#### Article 21.4

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

- (1) To perform a stock-take of the assets of the Company, prepare balance sheet and an inventory list of assets respectively;
- (2) To notify or make a public announcement to creditors;
- (3) To handle and liquidate the unfinished business of the Company;
- (4) To settle all outstanding taxes due and taxes incurred during the process of liquidation;
- (5) To sort out all debts due to and by the Company;
- (6) To deal with the surplus assets of the Company after repayment of all debts;
- (7) To represent the Company in civil litigation.

#### Article 21.5

The liquidation committee shall formulate a liquidation plan and submit it to general meeting or people's court for approval after a stock-take of the assets of the Company has been performed and the balance sheet and inventory of assets prepared.

The Company's assets shall be used for repayment in the following order of priority:

- (1) liquidation fees and expenses;
- (2) wages due to workers of the Company;
- (3) social insurance expenses;
- (4) taxes due;
- (5) the Company's debt.

Surplus assets remaining after repayment of debts in the manner aforesaid shall be distributed to shareholders in accordance with the class and proportion of shares held.

The Company shall not commence any new business operations during the liquidation period.

#### Article 21.6

The liquidation committee shall forthwith apply to the people's court for declaring the Company insolvent if the Company is liquidated due to dissolution and the liquidation committee discovers, after a stock-take of the assets of the Company and the preparation of the balance sheet and inventory lists of the Company's assets, that the Company's assets are insufficient to repay all the debts of the Company.

After the Company has been declared bankrupt by the people's court, the liquidation committee shall hand over its liquidation duties to the people's court.

#### Article 21.7

After the completion of the liquidation of the company, the liquidation committee shall prepare a liquidation report, the income and expenditure account and financial records in respect of the liquidation period. The said reports and records shall be endorsed by the general meeting or the people's court after the said reports and records have been verified by a PRC certified public accountant. Within 30 days after the endorsement by the general meeting or the people's court, the liquidation committee shall submit the said reports and records to the company registration authorities and apply for a cancellation of the registration of the Company and make a public announcement of the termination of the Company.

### **CHAPTER 22 - PROCEDURES FOR AMENDING THE ARTICLES OF ASSOCIATION**

#### Article 22.1

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

#### Article 22.2

Amendments to the Articles of Association shall be effected by the following procedures:

- (1) A resolution shall be passed by the board of directors in accordance with the provisions contained herein to propose to the general meeting the amendment to the Articles of Association and a draft of such amendments shall be made;
- (2) Shareholders of the Company shall be notified of the aforesaid draft amendments to the Articles of

- Association and a general meeting shall be convened to vote on the amendments;
- (3) The draft amendments to the Articles of Association shall be approved by the shareholders in a general meeting by a special resolution.

#### Article 22.3

Amendments to the Articles of Association involving the contents of the Mandatory Provisions shall become effective upon approval by companies approving authorities mandated by the State Council and the China Securities Regulatory Committee. Amendments involving any change to such registration particulars shall be registered in accordance with law.

### CHAPTER 23 - RESOLUTION OF DISPUTES

#### Article 23.1

The Company shall abide by the following rules on the resolution of disputes:

- (1) Disputes or claims related to the Company's affairs arising between holders of the Overseas-listed Foreign Shares and the Company, or between holders of the Overseas-listed Foreign Shares and the Company's directors, supervisors, chief executive officer or other senior management officers, or between holders of the Overseas-listed Foreign Shares and holders of the Domestic Shares arising from rights or obligations conferred by the Articles of Association, the Company Law and any other relevant laws and administrative regulations shall be submitted by the relevant parties for resolution by arbitration.

Disputes in relation to the identification of a shareholder and the register of members need not be resolved by way of arbitration.

- (2) A claimant may elect arbitration either at the China International Economic and Trade Arbitration Commission in accordance with its rules or at the Hong Kong International Arbitration Centre in accordance with its Securities Arbitration Rules.
- (3) Once a claimant has submitted a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant.

If a claimant elects arbitration at the Hong Kong International Arbitration Centre, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Centre.

- (4) The laws of PRC shall apply in disputes or claims of rights mentioned in paragraph (1) above submitted to arbitration, unless otherwise provided in the laws and administrative regulations.
- (5) The award of an arbitration body shall be final and conclusive and binding on all parties.

## CHAPTER 24 - NOTICES

### Article 24.1

Notices of the Company shall be served in the following forms:

- (1) by personal delivery;
- (2) by post;
- (3) by facsimile or electronic mail;
- (4) Subject to the laws, administrative regulations and the listing rules of the place of listing, on the websites designated by the Company and the Hong Kong Stock Exchange;
- (5) by public announcements;
- (6) other forms as agreed beforehand between the Company and the one being notified, or endorsement by the one being notified of having received the notice;
- (7) other forms being endorsed by the relevant regulatory authorities of the place of listing or the Articles of Association.

Unless otherwise provided herein, the term “public announcement” referred to in the Articles of Association means, in the case of a public announcement served on holders of Domestic Shares or a public announcement as required to be published in the PRC in accordance with the relevant provisions and the Articles of Association, the public announcement published in the newspapers in the PRC which are provided for in the laws and administrative regulations of the PRC; in the case of a public announcement served on holders of Overseas-listed Foreign Shares or such public announcement as required to be published in Hong Kong in accordance with the relevant provisions and the Articles of Association, the public announcement which must be published in such newspapers as provided in the Listing Rules.

Notwithstanding any other provisions herein regarding the form of the serving of any document, notice or other press, the Company may serve the notice of the Company in the form provided by Article 24.1(4) rather than serve the holders of H Shares of the Company by personal delivery or by prepaid posts provided that it complies with the listing rules of the place of listing. The notice of the Company means any document served or to be served by the Company to the shareholders for reference or to take action, including but not limited to, annual report (inclusive of the annual financial report), interim report (inclusive of the interim financial report), notice, press or other written documents of the general meeting.

### Article 24.2

Unless otherwise provided in the Articles of Association, the forms for serving notices shall be applicable to the notices of general meetings, board of directors’ meetings and supervisory committees’ meetings.

### Article 24.3

Any notices, documents, information or written statements served on the Company by a shareholder or director may be served by personal delivery or registered post sent to the legal address of the Company.

Article 24.4

Notices of the Company served by personal delivery, the date of delivery shall be the date when the addressee signs (or chops) the delivery slip; if served by post, the day of delivery shall be the date of posting at the post office; if served by facsimile, electronic mail or website, the date of delivery shall be the date of despatch; if served by public announcements, the date of delivery shall be the date of the first announcement. All relevant public announcements shall be published in designated newspapers.



## CHAPTER 25 - INTERPRETATION AND DEFINITIONS OF THE ARTICLES OF ASSOCIATION

### Article 25.1

The Articles of Association shall be subject to the interpretation of the board of directors and the right to amend the Articles of Association shall be vested with the general meeting in case of unresolved issues.

### Article 25.2

The Articles of Association is written in Chinese and English. The Chinese prevail shall prevail in case of inconsistency.

### Article 25.3

The following terms and expressions shall have the following meanings unless otherwise construed:

"Articles of Association"	the articles of association of the Company
"Board"	the board of directors of the Company
"Chairman"	the chairman of the Board
"Vice Chairman"	the vice chairman of the Board
"Director"	any director of the Company
"Overseas-listed Foreign Share"	any overseas-listed foreign share of the Company
"Residence of the Company"	Room 316-318, 24 Yang Xin Dong Road, Shanghai, the People's Republic of China
"Renminbi"	the legal tender of the PRC
"Secretary to the Board"	the secretary to the Board appointed by the Board
"PRC" and "State"	the People's Republic of China
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Company"	Shanghai Jin Jiang International Hotels (Group) Company Limited
"Certified public accountants' firm"	have the same meaning as the auditor in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
LR	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
MP	the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas
App 3	Appendix 3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
App 14	Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
A13D	Appendix 13D to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

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SHANGHAI JIN JIANG INTERNATIONAL HOTELS (GROUP) COMPANY LIMITED

Signed by the Legal Representative of the Company: \_\_\_\_\_

SHAREHOLDERS: JIN JIANG INTERNATIONAL (GROUP) COMPANY LIMITED

SHANGHAI JIN JIANG INTERNATIONAL INVESTMENT AND MANAGEMENT COMPANY LIMITED