

ENGLISH TRANSLATION FOR PURPOSES OF REFERENCE ONLY



**ARTICLES OF ASSOCIATION**

**OF**

**CHINA EASTERN AIRLINES CORPORATION LIMITED**

March 2026  
Shanghai, PRC

# **ARTICLES OF ASSOCIATION OF CHINA EASTERN AIRLINES CORPORATION LIMITED**

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# ARTICLES OF ASSOCIATION OF CHINA EASTERN AIRLINES CORPORATION LIMITED

## CHAPTER 1: GENERAL PROVISIONS

- Article 1. To safeguard the legitimate rights and interests of the Company, its shareholders, employees and creditors, and regulate the organization and activities of the Company, these Articles of Association are formulated in accordance with the “Company Law of the People’s Republic of China” (the “Company Law”), the “Securities Law of the People’s Republic of China” (the “Securities Law”), the Guidelines on the Articles of Association of Listed Companies and other relevant regulations.
- Article 2. The Company was incorporated as a joint stock company with limited liability in accordance with the Company Law and other relevant PRC laws and regulations and departmental rules.
- The Company was established by way of promotion with the approval under the document “Ti Gai Sheng” [1994] No. 140 of the People’s Republic of China’s State Commission for Restructuring the Economic System. It is registered with and has obtained a business licence from China’s State Administration for Industry and Commerce on April 14, 1995. On February 8, 2017, the Company completed the “Combination of Three Licenses into One” procedures for its business license, organisation code certificate and tax registration certificate. The unified social credit code of the business license of the Company after the integration is 913100007416029816.
- Article 3. Approved by the document [1996] No. 180 of the State Commission for Restructuring the Economic System and the document “Zheng Wei Fa” [1997] No. 4, “Approval Concerning Consent to the Issuance of Foreign Shares Listed Overseas by China Eastern Airlines Corporation Limited” issued by the State Council Securities Commission, the Company was listed on The Stock Exchange of Hong Kong Limited in February 1997, issuing 1,566,950,000 H Shares at a price of HK\$1.38 per share. Upon completion of the issuance, the total number of the Company’s shares increased to 4,566,950,000 shares, with a par value of RMB1 per share.

Approved by the document “Min Hang Ti Han” [1997] No. 390 and the document “Min Hang Ti Han” [1997] No. 393 of the Civil Aviation Administration of China, as well as the document “Zheng Jian Fa Zi” [1997] No. 471, “Approval Concerning the Application for Public Offering by China Eastern Airlines Corporation Limited”, and the document “Zheng Jian Fa Zi” [1997] No. 472, “Approval Concerning the A Share Issuance Plan of China Eastern Airlines Corporation Limited”, issued by the China Securities Regulatory Commission, the Company was listed on the Shanghai Stock Exchange in October 1997, issuing 300,000,000 A Shares at a price of RMB2.45 per share. Upon completion of the issuance, the total number of the Company’s shares was 4,866,950,000 shares, with a par value of RMB1 per share.

Article 4. The Company’s registered name in Chinese is:  
中國東方航空股份有限公司  
and in English is: CHINA EASTERN AIRLINES CORPORATION  
LIMITED

Article 5. The Company’s address : 66, Airport Avenue,  
International Airport,  
Pudong New Area,  
Shanghai,  
The People’s Republic of China  
Zip Code : 201202  
Telephone : (021) 62686268  
Facsimile : (021) 62686116

Article 6. The registered capital of the Company is RMB22,087,736,670.

Article 7. The Company is a joint stock limited company in perpetual existence.

Article 8. The Chairman of the board of directors of the Company is the Company’s legal representative. Where the director serving as the legal representative resigns, the director is deemed to have concurrently resigned from the office of the legal representative. Where the legal representative resigns, the Company shall have the board of directors elect a director or manager who represents the Company in its business operations as the legal representative of the Company within 30 days of resignation of the legal representative.

The legal consequences of civil activities performed by the legal representative of the Company in the name of the Company shall be assumed by the Company. Any restriction on the power of the legal representative imposed by these Articles of Association or the Shareholders' general meeting shall not be set up against a bona fide opposite party. Where the legal representative causes any harm to any other person for execution of his functions, the Company shall assume civil liability for such harm. The Company may, after assuming civil liability, recover loss from the legal representative at fault in accordance with laws or these Articles of Association.

Article 9. The liability of its shareholders for the Company is limited to the extent of the shares they subscribe for and the liability of the Company for its own debts is limited to all the properties it owns.

Article 10. These Articles of Association shall come into force on the date when it is considered and approved by the Shareholders' general meeting of the Company. The original Articles of Association of the Company shall automatically become invalid upon the date when these Articles of Association become effective. From the date of these articles of association becoming effective, these articles of association constitute a legally binding document regulating the Company's organisation and activities, and the rights and obligations between the Company and each shareholder and among the shareholders inter se. These articles of association are legally binding on the Company and its shareholders, directors, senior administrative officers of the Company. Pursuant to these Articles of Association, legal proceedings may be lodged by shareholders against each other, by a shareholder against Directors and Senior Management, by a shareholder against the Company and by the Company against its shareholders, Directors and Senior Management. The senior administrative officers as referred herein shall refer to the general manager, deputy general managers, financial controller, the secretary of the board of directors and the general counsel legal adviser of the Company and the senior administrative officers appointed by the board of directors excluded in preceding paragraphs.

Article 11. The Company may invest in other enterprises. If it is stipulated by law that the Company shall not make capital contribution to its investee enterprises whose debts the Company has to bear joint liability on, the Company shall comply with such law.

Article 12. The company must conduct its business in accordance with laws and regulations as well as public and commercial ethics, be honest and trustworthy and accept the supervision of the government and the public.

Article 13. In accordance with the Constitution of the Communist Party of China (the “Party”), the Company shall establish Party organizations to carry out the activities of the Party. The Party committee at different levels of the Company shall perform functions in accordance with provisions of the Constitution of Party. The Company shall provide the necessary conditions for the activities of Party organizations.

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

Article 14. The business purposes of the Company are: to provide the public with safe, punctual, comfortable, fast and convenient air transport service and other ancillary services, to enhance the cost-effectiveness of the services and social benefits and to protect the lawful rights and interests of the shareholders.

Article 15. Upon registration in accordance with the law, the scope of business of the Company includes: domestic and approved international and regional business for air transportation of passengers, cargo, mail, luggage and extended services; general aviation business; maintenance of aviation equipment and machinery; manufacture and maintenance of aviation equipment; agency business for domestic and overseas airlines and other business related to air transportation; insurance by-business agency services; e-commerce (excluding value added telecommunication services such as third-party platforms); in-flight supermarket (excluding products sold under quota licenses and special permits); wholesale and retail of goods.

## **CHAPTER 3: SHARES**

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

Article 16. The stock of the Company shall take the form of shares.

Article 17. The shares of the Company shall be issued in accordance with the principles of openness, fairness and justice. Each share of the same class shall carry the same rights. Shares of the same class and in the same issue shall be issued on the same conditions and at the same price. The same price is paid for each share subscribed for by the subscribers.

Article 18. The Company issues par value shares, which are denominated in Renminbi.

- Article 19. The domestic listed shares issued by the Company shall be kept at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. H Shares issued by the Company shall primarily be put under custody of the Company authorized by the Hong Kong Securities Clearing Company Limited.
- Article 20. The promoter of the Company is China Eastern Air Holding Company Limited, which subscribed for 3,000,000,000 shares, with a par value of RMB1 per share. Such shares were fully subscribed by China Eastern Air Holding Company Limited on April 14, 1995. The total number of shares issued upon the establishment of the Company was 3,000,000,000 shares.
- Article 21. The Company currently has a total of 22,087,736,670 ordinary shares, comprising a total of 17,024,964,893 A shares, representing 77.08% of the total share capital of the Company, a total of 5,062,771,777 H shares, representing 22.92% of the total share capital of the Company.
- Article 22. Neither the Company nor its subsidiaries (including affiliated enterprises of the Company) shall provide financial assistance to others for the purpose of acquiring shares in the Company or its parent company by way of gift, advance, guarantee, loan or otherwise, except for the implementation of the Employee Stock Ownership Plan of the Company.

For the benefit of the Company, the Company may provide financial assistance to others for the purpose of acquiring shares in the Company or its parent company upon a resolution passed at a Shareholders' general meeting, or by the board of directors pursuant to the Articles of Association or the mandate of the Shareholders' general meeting, provided that the aggregate amount of such financial assistance shall not exceed 10% of the total issued share capital. Any resolution of the board of directors in this regard must be approved by more than two-thirds of all the directors.

## **Section 2: Changes in Share Capital and Share Repurchase**

- Article 23. The Company may, based on its requirements for operation and development and in accordance with applicable laws and regulations, increase its share capital by a resolution passed at a Shareholders' general meeting in the following ways:
- (1) issuing shares to unspecified investors;
  - (2) issuing shares to specified investors;
  - (3) distributing bonus shares to existing shareholders;

- (4) converting capital reserves into share capital;
- (5) any other ways permitted by laws, administrative regulations, and as approved by the CSRC.

Article 24. The Company may reduce its registered capital. Any reduction of the Company's registered capital shall be carried out in accordance with the procedures stipulated in the Company Law, other applicable regulations, and the provisions of the Articles of Association.

Article 25. The Company may, with the approval of the relevant State governing authority for repurchasing its shares, conduct the repurchase in one of the following ways:

- (1) reduction of its registered capital;
- (2) merging with another company that holds shares in the Company;
- (3) issue of shares in connection with staff shareholding plans or share incentives;
- (4) requesting the Company to purchase its own shares where shareholders object to the merger or demerger resolution of a general meeting;
- (5) issue of shares in connection with convertible bonds issued by the Company;
- (6) deemed necessary by the Company for protecting the Company's value and shareholders' interests;
- (7) other circumstances as prescribed by laws, administrative regulations, departmental rules, and the securities regulatory rules of the stock exchange where the Company's shares are listed.

The acquisition of its own shares by the Company pursuant to the foregoing paragraphs (1) or (2) shall be subject to approval at the Shareholders' general meeting by way of resolution; the acquisition of its own shares by the Company pursuant to the foregoing paragraphs (3), (5) or (6) shall be subject to approval by way of a resolution at a meeting of the board of directors attended by more than two-thirds of the directors in accordance with the provisions of the Articles of Association or the mandate of the Shareholders' general meeting.

Where the Company repurchases its shares in accordance with the above provisions, under circumstance (1), the shares shall be cancelled within ten days from the date of repurchase; under circumstances (2) and (4), the shares shall be transferred or cancelled within six months; and under circumstances (3), (5) and (6), the total number of shares held by the Company shall not exceed 10% of its total issued share capital and shall be transferred or cancelled within three years. Where laws, administrative regulations, departmental rules, or the securities regulatory rules of the stock exchange on which the Company's shares are listed provide otherwise in respect of the matters related to such share repurchases, such provisions shall prevail.

Article 26. The Company may repurchase its shares through public centralized trading or other methods permitted by laws, administrative regulations, and as recognized by the CSRC.

Where the Company repurchases its shares under the circumstances specified in Article 25, Paragraph 1, Items (3), (5), and (6) of the Articles of Association, such repurchase shall be conducted through public centralized trading.

When the Company repurchases its shares, it shall fulfill its information disclosure obligations in accordance with the Securities Law and the relevant securities regulatory rules of the stock exchange where its shares are listed.

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

Article 27. The shares of the Company shall be transferred in accordance with the law.

Article 28. The Company shall not accept its own shares as the subject of a pledge.

Article 29. The transfer of the Company's shares shall comply with the following provisions: (1) Shares issued before the Company's public issuance of A shares shall not be transferred within one year from the date when the Company's A shares are listed and traded on the stock exchange. (2) Directors and senior management of the Company shall report to the Company their holdings of the Company's shares (including preferred shares) and any changes thereto. During their tenure, the shares they transfer each year shall not exceed 25% of the total shares of the same class they hold in the Company; shares held by them shall not be transferred within one year from the date when the Company's shares are listed and traded. After leaving their positions, they shall not transfer any shares they hold within six months. (3) Other circumstances prescribed by laws, administrative regulations, departmental rules, or the securities regulatory rules of the stock exchange where the Company's shares are listed.

Article 30. Shareholders holding more than 5% of the Company's shares, as well as directors and senior management personnel, who sell shares or other equity-type securities of the Company within six months after purchase, or repurchase such shares or securities within six months after sale, shall have the gains from such transactions belong to the Company. The Company's board of directors shall recover such gains. However, this does not apply to securities companies holding more than 5% of shares due to purchasing unsold shares in underwriting, nor to other circumstances stipulated by the CSRC.

The shares or other equity-type securities held by the directors, senior management, and individual shareholders mentioned in the preceding paragraph include those held by their spouses, parents, children, and those held through accounts of others.

If the board of directors fails to enforce the provisions of the first paragraph of this Article, shareholders have the right to require the board of directors to enforce it within thirty days. If the board of directors still fails to enforce it within the specified period, shareholders have the right, in the interest of the Company, to initiate litigation in their own name directly with the People's Court. The responsible directors shall bear joint and several liability in accordance with the law if the board of directors fails to enforce the provisions of the first paragraph of this Article.

## **CHAPTER 4: SHAREHOLDER AND SHAREHOLDERS' GENERAL MEETINGS**

### **Section 1: Shareholder**

Article 31. The Company shall establish the register of shareholders based on certificates provided by the securities registration institution. The register of shareholders shall serve as sufficient evidence to prove a shareholder's ownership of the Company's shares. A shareholder shall enjoy rights and bear obligations according to the class of the shares held by him; shareholders who hold shares of the same class shall enjoy the same rights and bear the same obligations.

The register of shareholders in Hong Kong shall be available for shareholders to inspect free of charge during business hours. This provision shall not affect the Company's right to suspend the registration of share transfers in accordance with the rules of the regulatory authorities of the place where the shares are listed.

Article 32. When the Company convenes a Shareholders' general meeting, distributes dividends, undergoes liquidation, or engages in other activities requiring confirmation of shareholder identity, the board of directors or the convener of the Shareholders' general meeting shall determine the record date. Shareholders registered in the register of shareholders after the close of business on the record date shall be entitled to the relevant rights and interests.

Article 33. The shareholders of the Company shall enjoy the following rights:

- (1) the right to dividends and other distributions in proportion to the number of shares held;
- (2) the rights to require the holding of, convene, preside over, attend or appoint a proxy to attend Shareholders' general meetings and exercise corresponding speaking and voting right (except where individual shareholders are required to abstain from voting on specific matters under the listing rules of the place(s) where the Company's shares are listed);
- (3) the right to supervise the Company's business operations, and the right to present proposals or enquiries;
- (4) the right to transfer shares, give by way of gift or pledge shares held in accordance with laws, administrative regulations and provisions of these articles of association;
- (5) the right to inspect and make copies of these Articles of Association, the register of shareholders, minutes of Shareholders' general meetings, resolutions of the board of directors, and financial and accounting reports. Shareholders who meet the prescribed conditions may also inspect the Company's accounting books and accounting vouchers;
- (6) in the event of the termination or liquidation of the Company, to participate in the distribution of surplus assets of the Company in accordance with the number of shares held;
- (7) for the shareholder who raises an objection to the resolutions of the Shareholders' general meeting regarding the merger or division of the Company, the right to require the Company to purchase his shares;
- (8) other rights stipulated in the laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Article 34. Shareholders who request to inspect or make photocopies of the aforesaid relevant information or documents, he shall provide the Company with documents showing the class and number of shares he holds. The Company shall provide such information as requested by the shareholder after his identification has been verified.

Article 35. Where the resolutions of a Shareholders' general meeting or a meeting of the board of directors violate laws or administrative regulations, shareholders are entitled to make a petition to the people's court to nullify such resolutions.

Where the convening or voting procedures of a Shareholders' general meeting or a meeting of the board of directors violates laws, administrative regulations or these Articles, or the resolutions of such meeting violate these Articles, shareholders are entitled to make a petition to the people's court to revoke the resolutions adopted in such meeting within 60 days from the date when such resolutions are adopted. However, this will not apply where there are only minor defects in the procedures for convening or the voting methods of the Shareholders' general meeting or the board of directors that do not have a substantive impact on the resolution.

If the board of directors, shareholders or other relevant parties dispute the validity of a resolution at the Shareholders' general meeting, they shall promptly initiate legal proceedings with the People's Court. Prior to the issuance of a judgment or ruling by the People's Court to revoke such resolution or otherwise, the relevant parties shall implement the resolution of the Shareholders' general meeting, and no party may refuse to execute such resolutions on the grounds of their alleged invalidity. The Company, its directors and senior management shall practically perform their duties to ensure the normal operation of the Company.

Where the People's Court makes a judgment or ruling on the relevant matter, the Company shall, in accordance with the law, administrative regulations, and the requirements of the CSRC and the stock exchange, fulfil its information disclosure obligations, fully explain the impact, and actively cooperate in enforcement after such judgment or ruling becomes effective. If correction of prior matters is involved, the Company should promptly address them and discharge the corresponding information disclosure obligations.

Resolutions of a Shareholders' general meeting or a Board meeting of the Company shall be invalid in any of the following circumstances: (1) the resolution was not made by a Shareholders' general meeting or a board meeting; (2) no voting on the resolution was made on at a Shareholders' general meeting or a Board meeting; (3) the number of attendees of the meeting or the number of their voting rights does not meet the quorum or the number of voting rights as required by the Company Law or these Articles of Association; (4) the number of attendees voting in favor of the resolution or the number of their voting rights do not meet the quorum or the number of voting rights as required by the Company Law or these Articles of Association.

Article 36.

Where the Company incurs losses as a result of a director or senior management other than a member of the Audit and Risk Management Committee having violated any provision of laws, administrative regulations or the Articles of Association in the course of performing their duties with the Company, shareholders alone or in aggregate holding no less than 1% of the Company's shares for no less than 180 consecutive days shall be entitled to request in writing the Audit and Risk Management Committee to initiate proceedings in a people's court. Where the Company incurs losses as a result of the Audit and Risk Management Committee having violated any provision of laws, administrative regulations or these Articles in the course of performing its duties with the Company, the above shareholders may request in writing the board of directors to initiate proceedings in a people's court.

If the Audit and Risk Management Committee or the board of directors refuses to initiate proceedings upon receipt of the written request of the shareholders set forth in the preceding paragraph, or fails to initiate such proceedings within 30 days from the date on which such request is received, or in case of emergency where failure to initiate such immediately proceedings result in will irreparable damages to the Company's interests, shareholders described in the preceding paragraph shall have the right to initiate proceedings in a people's court in their own names in the interests of the Company.

Shareholders described in the first paragraph of this Article may also initiate proceedings in a people's court in accordance with the preceding two paragraphs of this Article in the event that the legal interests of the Company is infringed upon by a third party and that the Company suffers from losses accordingly.

If any director, supervisor or senior management of a wholly-owned subsidiary of the Company violates any law, administrative regulation or these Articles of Association in performing his/her duties, causing losses to the Company, or the infringement of the legitimate rights and interests of a wholly-owned subsidiary of the Company by others causing losses, shareholders who holds 1% or more of the shares in the Company, either individually or collectively, for 180 or more consecutive days shall request the supervisory committee and board of directors of a wholly-owned subsidiary in writing in accordance with the provisions of the first three paragraphs of Article 189 of the Company Law to institute a legal action in a people's court or to institute a legal action in a people's court in their own names (If a wholly-owned subsidiary of the Company does not have a supervisor, such requirement shall be implemented in accordance with the provisions of the first and second paragraphs of this Article).

Article 37. Shareholders may institute legal proceedings in the People's Court against any director or senior management member who damages the shareholders' interests by violating any law, administrative regulation, regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Article 38. The shareholders of the Company shall assume the following obligations:

- (1) to abide by laws, administrative regulations and these Articles of Association;
- (2) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (3) not to withdraw their share capital except in circumstances allowed by laws and regulations;
- (4) not to abuse the its/his rights as a shareholder to infringe the interests of the Company or other shareholders and not to abuse the independent position of the Company as a legal person or the limited liability status of the shareholders to infringe the interests of creditors of the Company;
- (5) other obligations imposed by laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed and these articles of association.

Where a shareholder's abuse of rights as a shareholder has caused damages to the Company or other shareholders, he/it shall be liable for compensation in accordance with laws. Where a shareholder abuses the independent position of the Company as a legal person, or the limited liability status of shareholders for the evasion of its debts and such acts have caused serious damages to interests of the Company's creditors, he/it shall bear joint and several liabilities in respect of the debts of the Company.

Article 39. The controlling shareholder and the actual controller of the Company shall exercise their rights and perform their obligations in accordance with the provisions under the law, administrative regulations, the regulations of the CSRC, the rules of the stock exchange and regulatory rules of the place where the Company's shares are listed, and shall safeguard the interests of the Company.

Article 40. The controlling shareholder and the actual controller of the Company shall comply with the following provisions:

- (1) Exercise shareholder rights in accordance with the law, without abusing control rights or exploiting related-party relationships to harm the lawful rights and interests of the Company or other shareholders;
- (2) Strictly perform any public statements and undertakings made, without unauthorized alteration or waiver;
- (3) Fulfil information disclosure obligations in strict accordance with relevant regulations, actively cooperate with the Company in its information disclosure, and promptly inform the Company of any material events that have occurred or are expected to occur;
- (4) Shall not occupy corporate funds in any manner;
- (5) Shall not compel, instruct, or require the Company or its relevant personnel to provide guarantees in violation of laws or regulations;
- (6) Shall not exploit any undisclosed material information of the Company to seek benefits, shall not disclose any undisclosed material information relating to the Company in any manner, and shall not engage in insider trading, short-swing trading, market manipulation or any other unlawful or non-compliant conduct;
- (7) Shall not harm the lawful rights and interests of the Company and other shareholders through any unfair related party transactions, profit distributions, asset restructurings, external investments or any other means;

- (8) Shall ensure the integrity of the Company's assets, independence of its personnel, finance, organisation and business, and shall not interfere with the Company's independence in any manner;
- (9) Comply with other provisions under the laws, administrative regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Where the controlling shareholder or actual controller of the Company does not serve as a director but actually transacts the business of the Company, the provisions of these Articles of Association concerning the fiduciary duties and duties of diligence of directors shall apply. Where the controlling shareholder or actual controller instructs any director or senior management to engage in acts that are detrimental to the interests of the Company or its shareholders, they shall bear joint and several liability with such management.

Article 41. Where the controlling shareholder or actual controller pledges the shares of the Company held or effectively controlled by them, they shall ensure the stability of the Company's control and business operations.

Article 42. Where the controlling shareholder or actual controller transfers the shares of the Company held by them, they shall comply with the restrictive provisions on share transfers as stipulated by laws, administrative regulations and regulatory rules of the place where the Company's shares are listed, as well as any undertakings made by them in relation to the restriction on share transfers.

## **Section 2: General provisions for Shareholders' general meeting**

Article 43. The Shareholders' general meeting of the Company shall be composed of all shareholders. The Shareholders' general meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with law:

- (1) to elect and replace directors who are not employee representatives and decide on matters relating to the remuneration of directors;
- (2) to examine and approve reports of the board of directors;
- (3) to examine and approve the Company's profit distribution plans and plans for making up losses;
- (4) to decide on increases or reductions in the Company registered capital;

- (5) to authorize the board of directors to decide on the issue of debentures by the Company;
- (6) to decide on matters such as merger, division, spin-off, change in company form, dissolution and liquidation of the Company;
- (7) to decide on the appointment, dismissal and disengagement of the accountants of the Company;
- (8) to amend these articles of association;
- (9) to examine and approve changes in the use of proceeds;
- (10) to examine and approve share incentive plan and employee share ownership plan;
- (11) to examine the purchases and disposals of significant assets within one year exceeding 30% of the latest audited total assets of the Company;
- (12) to approve the guarantees subject to Article 44;
- (13) to approve the financial assistance subject to Article 45;
- (14) to examine and approve the connected transaction amounting to more than RMB30 million, and exceeding 5% of the absolute value of the latest audited net assets of the Company (as otherwise provided in the listing rules of the place where the Company's shares are listed or in these Articles);
- (15) to examine other matters which require resolutions of the shareholders in general meeting according to relevant laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed, and provisions of these articles of association;
- (16) to deal with matters which the board of directors may be delegated or authorized to deal with by the shareholders in general meeting.

Shares and corporate bonds convertible into shares of the Company may be issued by a resolution of the Shareholders' general meeting or by a resolution of the Board of Directors as authorized by the Articles of Association or the Shareholders' general meeting, the specific implementation of which shall comply with the laws, administrative regulations, the requirements of the CSRC and the rules of the stock exchanges.

Unless otherwise provided by law, administrative regulations, the regulations of the CSRC or the rules of the stock exchange, the Shareholders' general meeting shall not delegate the powers and functions legally to be exercised by the Shareholders' general meeting to the board of directors or to other organizations and individuals to exercise on its behalf.

For the matters which can be exempted from or waived for consideration and disclosure under relevant provisions of laws, administrative regulations, and the securities regulatory rules of the place(s) where the Company's shares are listed, the Company may be exempted from or apply for a waiver for being exempted from such consideration and disclosure under relevant provisions.

Article 44.

The provision of guarantee by the Company shall be subject to consideration and approval by the general meeting if:

- (1) the provision of any guarantee where the total amount of the guarantee by the Company and its subsidiaries exceeds 50% of the latest audited net assets;
- (2) the provision of any guarantee where the total amount of the guarantee by the Company exceeds 30% of the latest audited total assets;
- (3) any guarantee where the amount of the guarantee by the Company within one year exceeds 30% of the latest audited total assets;
- (4) the provision of any guarantee to any guaranteed party with a gearing ratio exceeding 70%;
- (5) the provision of any single guarantee in which the amount exceeds 10% of the latest audited net assets;
- (6) the provision of guarantees to its shareholders, de facto controllers and their related parties.

The abovesaid "guarantee" includes the guarantee to non-wholly owned subsidiaries, etc. For those guarantees violating relevant laws and regulations, the approval authority and the consideration procedures under the Articles of Association, the Company shall take reasonable and effective measures to release itself from the obligation thereunder or rectify the guarantee in violation to reduce the loss of the Company and protect the interests of the Company and minority shareholders, while looking into the accountability of the relevant personnel.

Article 45.

The following financial assistance (including interest-bearing or non-interest bearing loans, entrusted loans, etc.) provided by the Company are subject to the consideration and approval of the general meeting, if:

- (1) a single financial assistance with the amount exceeding 10% of the latest audited net assets of the Company;
- (2) the gearing ratio in the latest financial statement of the party receiving such assistance is in excess of 70%;
- (3) the cumulative amount of financial assistance for the past 12 months exceeding 10% of the latest audited net assets of the Company;
- (4) other circumstances as stipulated in the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

If the target for assistance is a non-wholly owned subsidiary within the scope of consolidated financial statements of the Company and other shareholders of such non-wholly owned subsidiary are not the Company's controlling shareholder, de facto controller and the related party, the above provisions shall not apply.

The Company shall not provide financial assistance to its related parties, unless the financial assistance is provided to a related investee company not controlled by the controlling shareholder or de facto controller of the Company and that other shareholders of the investee company also provide such financial assistance under the same conditions in proportion to their capital contribution. If the Company intends to provide financial assistance to any of the related investee companies, in addition to consideration and approval by a simple majority of all non-related directors, consideration and approval by more than two-thirds of the non-related directors present at the board of directors' meeting shall be required, and the matter shall be submitted to the shareholders' general meeting for deliberation.

If the financial assistance violates the relevant laws and regulations, the approval authority thereunder the Articles of Association or consideration procedures, the Company shall take reasonable and effective measures to release itself from the obligation thereunder or rectify the assistance in violation to reduce losses suffered by the Company, protect the interests of the Company and minority shareholders and look into the accountability of the relevant personnel.

- Article 46. Shareholders' general meetings are divided into annual general meetings and extraordinary general meetings. Annual general meetings are held once every year and within six (6) months from the end of the preceding financial year. Under any of the following circumstances, the Company shall convene an extraordinary general meeting within two (2) months from the date of the occurrence:
- (1) when the number of directors is less than the number of directors required by the Company Law or two thirds of the number of directors specified in these Articles of Association;
  - (2) when the unrecovered losses of the Company amount to one third of the total amount of its share capital;
  - (3) when shareholder(s), individually or in aggregate, holding 10 percent or more of the shares of the Company request(s) to hold such a meeting;
  - (4) when deemed necessary by the board of directors or as proposed by the audit and risk management committee of the board of directors;
  - (5) other circumstances subject to the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Article 47. The venue of the general meeting convened by the Company shall be the place specified in the notice of general meetings. After a notice of the general meeting is given, the venue of the live conference of the general meeting shall not be changed, unless with valid reasons. In case of actual needs to change, the convener shall make an announcement and explain the reasons at least 2 business days prior to the date of the live conference. A meeting venue shall be established for the general meeting, and meetings will take the form of physical meeting. On the premise of the lawfulness and validity of general meetings, according to the laws, administrative regulations, departmental rules and securities regulatory rules of the place where the shares of the Company are listed, the Company shall facilitate the participation of shareholders in general meetings by providing Internet voting method. The shareholders shall be deemed as present when participating in the general meeting via the abovementioned methods.

- Article 48. The Company shall engage lawyers to issue legal opinions in respect of the following matters relating to the holding of general meetings and make relevant announcements:
- (1) whether the convening and holding procedures of the meeting comply with provisions of the relevant laws, administrative regulations and these Articles of Association;

- (2) whether the qualifications of the attendees and the convener of the meeting are lawful and valid;
- (3) whether the procedures of voting at the meeting and the voting results are lawful and valid;
- (4) provision of any legal advice on any other matters requested by the Company.

### **Section 3: Convening of Shareholders' General Meeting**

Article 49. Shareholders' general meeting shall be convened by the board of directors according to laws. Where the board of directors cannot or do not fulfill the obligation to convene general meeting, the audit and risk management committee of the board of directors shall take over without delay; where the audit and risk management committee of the board of directors do not convene and preside over the meeting, the shareholder(s) (either independently or jointly) holding more than 10% of the total shares of the Company may convene and preside over the meeting on their own.

Article 50. Subject to the consent of more than half of all the independent directors, independent directors are entitled to propose to the Board to convene an extraordinary general meeting. The Board shall, in accordance with laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association, inform in writing whether it agrees or disagrees to convene an extraordinary general meeting within ten (10) days upon receipt of the proposal. If the Board agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five (5) days after the resolution is made by the Board. If the Board does not agree to hold the extraordinary general meeting, it shall give the reasons and publish an announcement thereof.

Article 51. The audit and risk management committee of the board of directors has the right to propose an extraordinary general meeting to be convened to the board of directors, and the proposal shall be made to the board of directors in writing. The board of directors shall in accordance with the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association within 10 days of the receipt of the proposal for convening an extraordinary general meeting, provide a written feedback as to whether or not it agrees to convene the proposed meeting.

If the board of directors agrees to convene the proposed extraordinary general meeting, it shall within 5 days of making board resolution give a notice of convening the aforesaid meeting. Any alteration to the original proposal within the notice shall be subject to the agreement of the audit and risk management committee of the board of directors.

If the board of directors does not agree to convene the proposed extraordinary general meeting or fails to provide a feedback within 10 days of the receipt of the proposal, the board of directors shall be deemed as unable to perform or not performing its duty of convening Shareholders' general meeting, and the audit and risk management committee of the board of directors is entitled to convene and preside at the proposed meeting.

Article 52.

Shareholders solely or collectively holding 10% or more of the shares of the Company shall have the right to propose to the board of directors for holding an extraordinary general meeting, and shall put forward the proposal in writing to the board of directors. The board of directors shall, in accordance with the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association, give a written reply on whether to hold the extraordinary general meeting or not within ten (10) days upon receipt of the proposal.

If the board of directors agrees to convene the proposed extraordinary general meeting, it shall within 5 days of making board resolution give a notice of convening the aforesaid meeting. Any alteration to the original proposal within the notice shall be subject to the agreement of the relevant shareholders.

If the board of directors does not agree to hold the extraordinary general meeting or fails to give a reply within ten (10) days upon receipt of the proposal, shareholders or collectively holding 10% or more of the shares of the Company shall have the right to propose to the audit and risk management committee of the board of directors for holding the extraordinary general meeting, and shall put forward the request to the audit and risk management committee of the board of directors in writing.

If the audit and risk management committee of the board of directors agrees to hold the extraordinary general meeting, it shall serve a notice of such meeting within five (5) days upon receipt of the request. In the event of any change to the original proposal set forth in the notice, the consent of the relevant shareholders shall be obtained.

If the audit and risk management committee of the board of directors fails to serve a notice of the Shareholders' general meeting within the prescribed period, it shall be regarded that the audit and risk management committee of the board of directors will not convene or preside over the meeting, and shareholders solely or collectively holding 10% or more of the shares of the Company for 90 or more consecutive days may hold or preside over the meeting by themselves.

Article 53. If the audit and risk management committee of the board of directors or shareholder decides to convene the general meeting on its own, it shall publish the notice for convening the Shareholders' general meeting after giving a notice to the Board of Directors in writing, and reporting to the stock exchanges accordingly.

The audit and risk management committee of the board of directors or convening shareholder shall submit relevant evidence to the stock exchange upon the issuance of the notice of Shareholders' general meeting and the announcement of the resolutions of the general meeting.

The shareholding proportion of the convening shareholders (including preferred shares with voting rights restored, etc.) shall not be lower than 10% prior to the announcement of the resolutions of the Shareholders' general meeting.

Article 54. When a Shareholders' general meeting is convened by the audit and risk management committee of the board of directors or by the shareholders, the board of directors and the secretary to the board of directors shall act in concert therewith. The board of directors shall provide the register of shareholders as on the record date. Where the board of directors does not provide a register of members, the convener may apply for obtaining it to the securities registration and clearing institution by providing relevant announcement on convention of a Shareholders' general meeting. The register of members obtained by the convener may not be used for other purposes except convention of a general meeting.

Any expenses necessary for holding shareholders' general meetings convened by the audit and risk management committee of the board of directors or shareholders shall be borne by the Company.

#### **Section 4: Proposals and Notices for Shareholders' General Meetings**

Article 55. The content of the proposal shall fall within the scope of the authority of the shareholders' general meeting, have a clear subject matter and specific resolution matters, and comply with the relevant provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these articles of association.

Article 56. When the Company convenes a Shareholders' general meeting, the board of directors, the audit and risk management committee of the board of directors and shareholders individually or jointly holding 1% or more of the total shares of the Company are entitled to propose resolutions to the Company.

Shareholder(s) either individually or jointly holding 1% or more of the Company's shares may propose extraordinary resolutions and submit the same in writing to the convener ten (10) days prior to the holding of the Shareholders' general meeting. Extraordinary resolutions shall have clear topics and specific resolution matters. The convener shall, within two (2) days after the receipt of such extraordinary resolutions, issue a supplemental notice of the Shareholders' general meeting, announce the contents of such extraordinary resolutions and submit the same to the Shareholders' general meeting for consideration. However, extraordinary resolutions that violate laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, or are not within the authority of the Shareholders' general meeting, shall be excluded.

Except as prescribed in the preceding paragraph, the convener, after issuing the notice of the Shareholders' general meeting, shall neither revise the resolutions stated in the notice of the Shareholders' general meeting nor add new resolutions.

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

Article 57. When the Company convenes an annual general meeting, written notice of the meeting shall be given to Shareholders who are entitled to attend this general meeting at least twenty (20) days before the date of the meeting. When the Company convenes an extraordinary general meeting, written notice of the meeting shall be given to Shareholders who are entitled to attend this general meeting at least fifteen (15) days before the date of the meeting.

Where laws, administrative regulations, departmental rules and the securities regulatory rules of the places where the Company's shares are listed provide otherwise, such provisions shall prevail.

Article 58. A notice of meeting of shareholders shall include:

(1) time, place and duration of the meeting;

- (2) the matters and proposals to be considered at the meeting;
- (3) a conspicuous statement that all shareholders are entitled to attend the shareholders' general meeting, and all shareholders have the right to appoint proxies in writing to attend the meeting and vote on his/her behalf, and that such proxy need not be a shareholder of the Company;
- (4) the record date for shareholders entitled to attend the shareholders' general meeting;
- (5) the names and telephone numbers of the contact persons of the meeting;
- (6) time and procedures of the voting online or by any other means.

Article 59.

If the matters involving the election of directors are to be discussed at the Shareholders' general meeting, the notice of the Shareholders' general meeting shall fully disclose the detailed information of the candidates for directors, which shall at least include the following:

- (I) personal particulars including educational background, working experience, part-time jobs;
- (II) whether there is any connected relationship between such candidates and the Company or controlling shareholders and actual controller of the Company;
- (III) disclosure of their shareholdings in the Company;
- (IV) whether the candidates have been punished by CSRC and other relevant authorities or reprimanded by a stock exchange.

Except for the directors elected through the cumulative voting system, each candidate for director shall be individually proposed.

Article 60.

After the issuance of the notice for a Shareholders' general meeting, the general meeting shall not be postponed or canceled without any proper reasons, and the proposals specified in the notice shall not be withdrawn. In case of delay or cancellation, the convener shall give a notice to shareholders stating the reasons at least two business days before the original meeting date.

## Section 5: Holding of Shareholders' General Meetings

Article 61. The Board of the Company and other conveners shall take all necessary measures to ensure that the Shareholders' general meeting is conducted in an orderly manner, and shall take steps to prevent any activities that interfere the Shareholders' general meetings, cause disturbances and infringe the legal interests of the shareholders, and report such activities to the relevant authorities for investigation and punishment.

Article 62. All shareholders of ordinary shares (including preference shareholders with restored voting rights) whose names appear on the register of shareholders on the record date, shareholders holding special voting rights or their proxies shall be entitled to attend and exercise voting rights at the shareholders' general meeting in accordance with relevant laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

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

Article 63. Any shareholder entitled to attend and vote at a shareholders' meeting of the Company shall be entitled to appoint one or more other persons (whether a shareholder or not) as his or her proxies to attend and vote on his or her behalf, and a proxy so appointed shall be entitled to exercise the following rights pursuant to the authorization from that shareholder:

- (1) the shareholder's right to speak at the meeting;
- (2) the right to demand or join in demanding a poll;
- (3) the right to vote by hand or on a poll, but proxies of a shareholder who has appointed more than one proxy may only vote on a poll.

Where shareholder is a recognised clearing house within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and any amendments thereto or re-enactment thereof from time to time, it may authorise such person or persons as it thinks fit to act as its representative (or representatives) at any Shareholders' general meeting or meeting of any class of shareholders provided that, if more than one person is so authorised, the authorisation must specify the number and class of shares in respect of which each such person is so authorised. The person so authorised will be entitled to exercise the same power on behalf of the recognised clearing house as that clearing house (or its nominees) could exercise if it were an individual shareholder of the Company.

Article 64. Individual shareholders attending the meeting in person shall present their identity cards or any other valid certificates or documents or stock account cards for identification. Proxies attending the meeting shall present their personal identity cards and the power of attorney from the shareholder.

Legal person shareholders shall assign their legal representatives or the proxies they entrust to attend the meeting. Legal representatives attending the meeting shall present their identity cards and valid documents that can prove his or her qualification as the legal representative. Proxies authorized to attend the meeting shall present their identity cards and the written power of attorney legally issued by the legal representative of the legal person shareholder.

Article 65. The power of attorney issued by a shareholder to appoint another person to attend a Shareholders' general meeting shall contain the following information:

- (1) the name of the principal, the class and number of shares held in the company;
- (2) the name of the proxy;
- (3) specific instructions of the shareholder, including instructions to vote for, against, or abstain from each item on the agenda of the Shareholders' general meeting;
- (4) the date of issuance and period of validity of the power of attorney;
- (5) the signature (or seal) of the principal. If the principal is a corporate shareholder, the corporate seal should be affixed.

Article 66. If the proxy form 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 both be deposited at the residence of the Company or at such other place as is specified for that purpose in the notice convening the meeting.

If the appointor is a legal person, its legal representative or such person as is authorized by resolution of its board of directors or other governing body may attend at any meeting of shareholders of the Company as a representative of the appointor.

- Article 67. The attendance register of persons attending the meeting shall be prepared by the Company. The register shall specify the attendants' names (or the name of their entities), ID numbers, home addresses, number of voting shares held or represented, and the names of the proxies' principals (or the names of the principals' entities).
- Article 68. The convener and the lawyers engaged by the Company shall jointly verify the validity of the shareholders' qualifications based on the register of members provided by the securities registration and clearing authorities, and shall register the names of the shareholders as well as the number of their voting shares. The registration for a meeting shall end before the chairman of the meeting announces the number of shareholders and proxies attending the meeting in person and the total number of their voting shares held.
- Article 69. If the Shareholders' general meeting requests the attendance of directors and senior management, the directors and senior management shall attend the meeting and accept the enquiry of shareholders.
- Article 70. The Shareholders' general meeting shall be presided over by the chairman of the board of directors. Where the chairman of the board of directors is unable to discharge the duty or will not discharge the duty, the meeting shall be presided over by the vice chairman of the board. Where the vice chairman of the board is unable to discharge the duty or will not discharge the duty, more than one half of the directors shall jointly designate a director to preside over the meeting.
- If a Shareholders' general meeting is convened by the audit and risk management committee of the board of directors, the chairman of the audit and risk management committee of the board of directors shall preside over the meeting. If the chairman of the audit and risk management committee of the board of directors is unable to discharge the duty or will not discharge the duty, more than one half of the members of the audit and risk management committee of the board of directors shall jointly designate a member to preside over the meeting.
- If a Shareholders' general meeting is convened by the shareholders themselves, the convener or a representative elected by him/her shall nominate a representative to preside over the meeting. If for any reason the convener fails to elect a chairman, the shareholder (including proxy thereof) holding the most voting shares thereat shall preside over the meeting.
- At a Shareholders' general meeting, if the chairman of the meeting contravenes the meeting procedures, making the Shareholders' general meeting impossible to proceed, with consent from more than one half of the attendant shareholders with voting rights, a person may be nominated at the Shareholders' general meeting to serve as the chairman and continue with the meeting.

- Article 71. The Company shall formulate the rules for procedures for the Shareholders' general meeting which shall specify in detail the convening, holding and voting procedures of a Shareholders' general meeting, including notification, registration, consideration of proposals, voting, counting of votes, announcement of voting results, formation of resolutions, meeting minutes and their signing, announcements and other contents, and the principles of authorization to the board of directors at the Shareholders' general meeting. The authorization shall be clear and specific. The rules for procedures for the Shareholders' general meeting shall be annexed to these articles of association and shall be prepared by the board of directors and approved by the Shareholders' general meeting.
- Article 72. At an annual general meeting, the board of directors shall report to the meeting on their work over the past year. Each independent director shall also present reports on their work at the meeting.
- Article 73. The directors and senior management officers shall reply or give explanation and description to the inquiries and suggestions raised by the shareholders at the Shareholders' general meeting.
- Article 74. The chairman of the meeting shall declare the number of attending shareholders and proxies and the total number of shares with voting rights they hold prior to voting. To determine the number of shareholders and proxies present and the total number of shares with voting rights they hold, the meeting register shall prevail.
- Article 75. The Shareholders' general meeting shall have meeting minutes, and the secretary to the board of directors shall be responsible for the meeting minutes. The meeting minutes shall contain the following contents:
- (1) the time, venue of, and the agenda for, the meeting, and the name or title of the convener;
  - (2) the name of the chairman of the meeting, the directors, general manager, deputy general manager and other senior administrative officers attending the meeting;
  - (3) the number of shareholders and proxies attending the meeting, the total number of their voting shares and their respective proportions to the total number of shares of the Company;
  - (4) the process of deliberation of each proposal, the main points of speeches and the voting results;

- (5) the inquiries or suggestions of the shareholders and the corresponding replies or explanations;
- (6) the names of legal counsel, vote counters, and supervisors;
- (7) other contents which, shall be contained in the minutes of the meeting as prescribed by these Articles of Association.

Article 76. The convener shall ensure that the meeting minutes are true, accurate and complete. The Directors and Secretary to the Board who attended the meeting, the convener or his/her representative and the chairman of the meeting shall sign the minutes. The meeting minutes shall be maintained together with the signature book of the shareholders present in person, the instruments of appointment of proxies and valid information on votes cast online or by other means for a period of no less than 10 years.

Article 77. The convener shall ensure that the Shareholders' general meeting is held continuously until the final resolution is made. If the Shareholders' General Meeting is suspended or the resolution cannot be made due to force majeure or other special causes, necessary measures shall be taken to resume the Shareholders' general meeting as soon as possible or directly terminate the general meeting, and an announcement shall be made promptly. Meanwhile, the convener shall report to the local office of the CSRC in the locality of the Company as well as the stock exchange.

## **Section 6: Voting and Resolutions of the Shareholders' General Meeting**

Article 78. Resolutions of Shareholders' general meetings shall be divided into ordinary resolutions and special resolutions.

To adopt an ordinary resolution, votes representing a majority of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed.

To adopt a special resolution, votes representing more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed.

Article 79. The following matters shall be resolved by an ordinary resolution at a Shareholders' general meeting:

- (1) work report of the board of directors;

- (2) plans formulated by the board of directors for distribution of profits and for making up losses;
- (3) removal of the members of the board of directors, their remuneration and method of payment;
- (4) matters other than those required by the laws and administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or by these articles of association to be adopted by special resolutions.

Article 80. The following matters shall be resolved by a special resolution at a shareholders' general meeting:

- (1) the increase or reduction in share capital;
- (2) the division, spin-off, merger, dissolution and liquidation of the Company;
- (3) amendments to the Articles of Association;
- (4) the amount of purchases and disposals of significant assets or guarantee by the Company within one year exceeding 30% of the latest audited total assets of the Company;
- (5) the share incentive scheme;
- (6) any other matters as provided by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and considered by the Shareholders' general meeting, resolved by way of an ordinary resolution, to be of a nature which may have a material impact on the Company and should be adopted by a special resolution.

Article 81. A shareholder (including proxy) may exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one vote, except for class shareholders.

For significant matters to be decided in general meetings of the Company that would affect the interests of its small and medium sized investors, the votes by the small and medium sized investors shall be counted separately. The result of such separate vote counting shall be disclosed publicly in a timely manner.

Shares held by the Company shall not carry any voting right and shall not be counted into the total shares with voting rights represented by shareholders attending the Shareholders' general meeting.

If the purchase of the Company's voting shares by the shareholders violates the provisions under Clauses 63(1) and (2) of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised within 36 months after the purchase, and shall not be counted in the total number of shares carrying voting rights represented by shareholders present at the Shareholders' general meeting.

The Board of the Company, Independent Directors, shareholders with more than 1% of the voting shares or investor protection agencies established in accordance with laws, administrative regulations or the provisions of the CSRC may openly collect voting rights from the Company's shareholders. While collecting votes of the shareholders, sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are being collected. No consideration or other form of de facto consideration shall be involved in the collection of voting rights from the shareholders. The Company shall not impose any limitation related to minimum shareholdings on the collection of voting rights except under statutory conditions.

Article 82. When related transactions are considered at the Shareholders' general meeting, the related shareholders shall not participate in voting, and the number of voting shares represented by them shall not be counted into the total number of valid votes. The announcement of any resolution made at the Shareholders' general meeting shall adequately disclose information relating to voting by non-connected shareholders. When related transactions are considered at the general meeting, the board of directors of the Company shall remind the related shareholders to abstain from voting prior to voting by shareholders; the related shareholders shall proactively declare the relationship to the Shareholders' general meeting and abstain from voting.

Article 83. Unless the Company is in a crisis or under other special circumstances, the Company shall not, without the approval by special resolutions at the Shareholders' general meeting, enter into contracts with persons other than directors and senior management officers granting those persons responsibility for the management of all or part of the Company's material business.

Article 84. The list of candidates for directors shall be submitted by way of proposal for voting at the general meeting. The nomination methods and procedures of directors are set out below: (I) Any shareholders or the board of directors may propose a resolution for the nomination of directors at the general meeting. (II) candidates for independent directors are nominated by the board of directors of the Company, the audit and risk management committee of the board of directors, or any shareholders holding 1% or above of the issued shares of the Company individually or in aggregate.

In considering the proposal for the election of directors, the general meeting shall vote on each candidate for director one by one. The board of directors shall inform the shareholders of the resumes and basic information of the candidates for directors. When voting on the election of two directors and above at the Shareholders' general meeting, cumulative voting system may be implemented in accordance with the provisions of these Articles of Association or the resolutions at the general meeting.

The cumulative voting system mentioned in the preceding paragraph means that when directors are being elected at the general meeting, each share carries a number of voting right equivalent to the number of directors to be elected, and the shareholders' voting rights may be used in a concentrated manner.

Article 85. Shareholders attending the Shareholders' general meeting shall have the same number of votes for each share held as the number of directors to be elected under each resolution group for which the cumulative voting system is adopted. The shareholders may cast all their votes on one candidate or split them on a few candidates.

Shareholders with multiple shareholder accounts can participate in online voting through any of their shareholder accounts. The number of votes they have is calculated based on the total number of shares of the same class across all their shareholder accounts.

Shareholders shall vote within the limit of the number of votes of each resolution group. In the event that the number of votes cast by a shareholder exceeds the number of the votes he/she holds, or in the competitive election, the shareholder casts votes in a way that exceeds the actual number of directors to be elected, the vote on such resolution shall be deemed invalid.

Article 86. In addition to the cumulative voting system, the Shareholders' general meeting shall resolve on all the proposals separately; in the event of several proposals for the same issue, such proposals shall be voted on and resolved in the order of time at which they are submitted. Unless the Shareholders' general meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused at the Shareholders' general meeting.

Article 87. When considering a proposal, the Shareholders' general meeting shall not revise it; and in the event of any amendment, it shall be deemed as a new proposal and may not be voted at the current meeting.

Article 88. The same voting right shall only be exercised on site, online or by other means. Where the same vote is cast for two or more times, the first cast shall hold.

Article 89. The Shareholders' general meeting shall vote by open ballot.

Article 90. Before the relevant proposal is voted on at the Shareholders' general meeting, two representatives of the shareholders shall be elected to take part in counting the votes and scrutinizing the conduct of the poll. Any shareholder who is interested in the matter under consideration and his/her proxy shall not take part in counting the votes or scrutinizing the conduct of the poll.

At the time of deciding on a proposal by voting at a Shareholders' general meeting, the lawyer, shareholder representatives shall count and scrutinize the votes, and announce the voting result forthwith. The voting result in connection with the resolution shall be recorded in the minutes of meeting.

The shareholders, who cast votes online or by other means, whether in person or by proxy, shall have the right to check their voting results through the relevant voting system.

Article 91. The on-site voting at a Shareholders' general meeting shall not end before voting online or by other means. The chairperson shall declare the result of voting on each proposal, and whether such proposal has been adopted accordingly.

Before the formal declaration of the result of any voting, the Company, teller(s), scrutineer(s), shareholders, network service providers and other persons involved in voting on site, online or by other means shall have the obligation to keep confidential the information related to the voting.

Article 92. A shareholder attending any Shareholders' general meeting shall vote for or against or abstain from voting on each proposal submitted to the meeting for voting, except the Securities Depository and Clearing Institution, as a nominee holder under the Mainland-Hong Kong Stock Connect Scheme, may make declarations according to the intentions of the actual holders.

In the event of any vote that is uncompleted, erroneously completed or illegible, or fails to be cast, the shareholder casting or failing to cast the same shall be deemed to have waived his/her voting right, and the voting results of the shares held by him/her shall counted as "abstaining from voting".

- Article 93. If the chairman of the meeting has any doubt as to the result of a resolution put to the vote of the meeting, he may arrange the counting of the votes cast. If the chairman of the meeting fails to have the votes counted, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the voting result, the chairman of the meeting shall immediately arrange the counting of votes. If votes are counted at a Shareholders' general meeting, the result of the count shall be recorded in the minute book.
- Article 94. Public announcements shall be made timely with respect to the resolutions of the Shareholders' general meeting in accordance with the relevant laws, administrative regulations, departmental regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association. The announcement shall contain the number of shareholders and proxies present, the total number of voting shares held by them and the percentage of such shares in total voting shares of the Company, means of voting, the voting result for each proposal and the details of each of the resolutions.
- Article 95. If a proposal is not passed or a resolution adopted at the previous Shareholders' general meeting is amended at the current Shareholders' general meeting, it shall be set out as a special reminder in the announcement on resolutions of the Shareholders' general meeting.
- Article 96. If a proposal relating to election of directors is adopted at a Shareholders' general meeting, the newly elected directors shall take office immediately after the completion of the meeting.
- Article 97. For proposals adopted at a Shareholders' general meeting regarding cash dividends, bonus issue or conversion of capital reserve into share capital, the specific plans shall be implemented within two months after the conclusion of the Shareholders' general meeting.

## CHAPTER 5: BOARD OF DIRECTORS

### Section 1: Directors

Article 98. Directors shall be elected or replaced and may be removed from office before their term of office expires by a Shareholders' general meeting. Each term of office is three (3) years. At the expiry of a director's term, the term is renewable upon re-election.

The term of office of directors shall commence from the date of appointment up to the expiry of the term of office of the current board of directors. If the term of office of a director expires but re-election is not made in time, the existing director shall continue performing the duties as director in accordance with laws, administrative regulations, departmental regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association until the newly elected director assumes office.

A director may hold a concurrent post as general manager, deputy general managers or other senior administrative officers of the Company, provided that the total number of directors who are serving concurrently as general manager, deputy general managers or other senior administrative officers of the Company shall not exceed half of the total number of the Company's directors.

Article 99. Directors shall comply with laws, administrative regulations, departmental regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, and shall faithfully perform their obligations to the Company. They shall take measures to avoid conflicts between their personal interests and the interests of the Company, and shall not abuse their authority to obtain improper benefits. Directors shall perform the following duties of loyalty to the Company:

- (1) directors shall not embezzle any of the property of the Company, and shall not misappropriate the Company's funds;
- (2) directors shall not deposit funds of the Company into accounts held in their own names or in the name of any other individual;
- (3) directors shall not abuse their authority by receiving any bribe or other illegal income;
- (4) directors shall not conclude any contract or enter into any transaction with the Company directly or indirectly, without reporting to the board of directors or the Shareholders' general meeting, and without being approved by a resolution of the board of directors or the Shareholders' general meeting in accordance with the provisions of the Articles of Association;

- (5) directors shall not take advantage of their positions to seek business opportunities for themselves or others that should have otherwise been available to the Company, except when reported to the board of directors or the Shareholders' general meeting and approved by a resolution of the Shareholders' general meeting, or when the Company, according to laws, administrative regulations, or the provisions of the Articles of Association, cannot utilise such business opportunities;
- (6) directors shall not operate for themselves or others any business similar to that of the Company, without reporting to the board of directors or the Shareholders' general meeting and obtaining approval through a resolution of the Shareholders' general meeting;
- (7) directors shall not accept commissions for transactions between others and the Company as their own;
- (8) directors shall not disclose Company secrets without authorization;
- (9) directors shall not make use of their related-party relationship to damage the Company's interests;
- (10) directors shall have other duties of loyalty specified by laws, administrative regulations, departmental regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Any income obtained by a director in violation of this Article shall belong to the Company; if losses are caused to the Company, the director shall be liable for compensation.

The close family members of the directors and senior administrative officers, enterprises directly or indirectly controlled by the directors and senior administrative officers or their close family members, as well as connected persons with other connections to the directors and senior administrative officers, shall be subject to the provisions of item (4) of paragraph 2 of this Article when entering into contracts or conducting transactions with the Company.

Article 100.

Directors shall comply with laws, administrative regulations, departmental regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, and shall diligently perform their obligations to the Company. In performing their obligations, they shall exercise the reasonable care that a manager should typically have for the Company's best interests. Directors shall bear the following duties of diligence to the Company:

- (1) directors shall be prudent, scrupulous and diligent in exercising the authority conferred by the Company to ensure that the business activities of the Company comply with the national laws, administrative regulations and various economic policy requirements, and that the business activities do not go beyond the scope of business activities specified in the Company's business license;
- (2) directors shall treat all shareholders equally;
- (3) directors shall keep abreast of the Company's business management status;
- (4) directors shall sign written statements confirming periodic reports of the Company, and ensure that the information disclosed by the Company is true, accurate, and complete;
- (5) directors shall provide accurate information and materials to the audit and risk management committee of the board of directors, and shall not impede the audit and risk management committee of the board of directors from exercising its statutory powers and authorities as stipulated by relevant laws and regulations;
- (6) directors shall have other diligence duties prescribed by laws, administrative regulations, departmental regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Article 101.

If any director fails to attend in person or entrust other directors as his representative to attend meetings of the board of directors for two consecutive times, such director shall be deemed to have failed to perform his duties, and the board of directors may propose to replace such director at the Shareholders' general meeting.

Article 102. A director may resign before the expiration of his term by submitting a written resignation report to the board of directors. The resignation shall take effect on the date when the company receives the resignation report, and the board of directors shall disclose the relevant situation within two trading days.

Where the board of directors is lower than the minimum quorum due to the resignation of the directors, the original directors shall, before the re-elected directors assume positions, still perform their duties in accordance with the laws, administrative regulations, departmental rules, securities regulatory rules in the places where the Company's shares are listed and the Articles of Association.

Article 103. The Company shall establish the director resignation management rules, clarifying the security measures for accountability and claims on unfulfilled public commitments and other outstanding issues. Upon a director's resignation becoming effective or upon expiration of term of office, he/she shall complete all handover procedures with the board of directors, and his/her loyalty obligations to the Company which remain effective within two years after the end of the term of office. The responsibilities that a director shall bear during his/her term of office due to his/her execution of duties shall not be exempted or terminated due to resignation from office.

The Shareholders' general meeting may resolve to remove a director, and the removal takes effect on the date the resolution is made. Without valid reason, if a director is removed before the expiration of his/her term of office, he/she may request compensation from the Company.

Article 104. No director shall act on behalf of the Company or the board of directors without legal authorization provided hereunder or by the board of directors. When a director acts in his own name, state his/her standings and identities in advance if a third party reasonably considers such director acts on behalf of the Company or the board of directors.

Article 105. If a director, in performing his duties for the Company, causes damage to others, the Company shall bear the compensation liability; if the director's act is intentional or involves gross negligence, the director shall also bear the compensation liability.

If a director, while performing duties for the Company, violates laws, administrative regulations, departmental rules, securities regulatory rules in the places where the Company's shares are listed and the Articles of Association, causing loss to the Company, he/she shall bear compensation liability.

## Section 2: The Board of Directors

Article 106. The Company shall have a board of directors, which is responsible to the general meeting. The board of directors shall consist of seven (7) to thirteen (13) directors. External directors (refer to directors who do not hold any office within the Company) shall represent more than half of the number of all members of the board of directors including independent directors not less than one third of the total number of directors and at least one of them shall be an accounting professional; the board of directors shall have one Chairman, one Vice-chairman and one employee representative director.

Article 107. Directors (excluding employee representative directors) shall be elected at the Shareholders' general meeting. while employee representative directors shall be elected or removed by employee representative assembly. The director (excluding employee representative director) candidates shall be nominated by the board of directors or shareholders. The notice of nomination of directors and the notice by a director candidate of his or her willingness to be elected shall be given to and lodged with the Company on, at the earliest, the day after the despatch of the relevant notice of Shareholders' general meeting appointed for the election and seven days before the date of the Shareholders' general meeting.

The Chairman and the Vice-chairman shall be elected and removed by more than half of all the members of the board of directors. The term of office of each of the chairman and the Vice-chairman is three (3) years, renewable upon re-election.

Any person appointed as a director by the board of directors to fill certain casual vacancy or to be addition to the members of the board of directors shall only take office until the next annual general meeting from the appointment, and shall then be eligible for re-election.

Article 108. The board of directors is responsible to the Shareholders' general meeting and exercises the following powers:

- (1) to convene the Shareholders' general meeting and to report on its work to the Shareholders' general meeting;
- (2) to implement the resolutions of the Shareholders' general meetings;
- (3) to decide on the Company's business plans and investment plans;
- (4) to decide the Company's annual preliminary and final financial budgets;

- (5) to formulate the Company's profit distribution plan and plan for making up losses;
- (6) to formulate proposals for increases or reductions in the Company's registered capital and the issue and listing of bonds and other securities;
- (7) to draw up plans for the significant acquisitions, acquisitions of the shares of the Company, or the merger, division, spin-off, dissolution and alteration of the form of the Company
- (8) to approve the guarantees other than those subject to Article 44;
- (9) to approve the financial assistance other than those subject to Article 45;
- (10) to examine and approve the connected transaction representing less than 5% of the absolute value of the latest audited net assets of the Company (Where the listing rules of the places where the Company's shares are listed or the Articles of Association provide otherwise, such provisions shall prevail);
- (11) other external investment, asset acquisition or disposal, assets pledge, entrusted wealth management, external donations, etc. other than those required examination and approval at the general meeting of the Company in accordance with the applicable laws and regulations in the place where the Company is listed and/or relevant regulatory authorities;
- (12) to decide on the establishment of the Company's internal management structure;
- (13) pursuant to the chairman's nominations to decide to appoint or dismiss the Company's general manager, to appoint or dismiss the secretary of the board of directors and determine their remuneration, etc. and pursuant to the general manager's nominations to decide to appoint or dismiss the deputy general manager, the financial controller, the general counsel legal adviser and other senior administrative officers of the Company and decide on their remuneration, etc.;
- (14) to formulate the board of directors' authorized management system;
- (15) to establish the Company's basic management system;
- (16) to formulate proposals for any amendments of the Company's articles of association;

- (17) to manage the disclosure of information of the Company;
- (18) to propose at the general meeting to engage or replace the accounting firm performing the audit for the Company;
- (19) to listen to the reporting on the works of the general manager of the Company and to perform checking on the works of the general manager;
- (20) to exercise any other powers provided by laws, administrative regulations, departmental rules, securities regulatory rules in the places where the Company's shares are listed, and conferred by the Shareholders' general meetings.

Except the board of directors' resolutions in respect of the matters specified in sub-paragraphs (6), (7), (8), (9), (16) of this Article which shall be passed by more than two-thirds of all the directors, the board of directors' resolutions in respect of all other matters may be passed by more than one half of all the directors.

The board of directors may resolve on the issuance of corporate bonds under the authorization of the shareholders' general meetings.

Prior to making decisions on material business management matters of the Company, the board of directors shall first seek advice from the Party Committee of the Company in advance.

For the matters which can be exempted from or waived for consideration and disclosure under relevant provisions of laws, administrative regulations, departmental rules and securities regulations of the place(s) where the Company's shares are listed, the Company may be exempted from or apply for a waiver for being exempted from such consideration and disclosure under relevant provisions.

Article 109. The board of directors shall provide an explanation to the general meeting regarding any non-standard audit opinion issued by the certified public accountant on the Company's financial report.

Article 110. For those external investment, asset acquisition or disposal, assets pledge, guarantee, entrusted wealth management, connected transactions, external donations, etc. within the decision-making authority of the board of directors, the board of directors shall strictly conduct review and examination, perform corresponding decision-making procedures and obligation of information disclosure; for those major investments, review and examination shall be organized with relevant experts and professionals, and approval is needed upon reporting to the general meeting.

- Article 111. The Chairman of the board of directors shall exercise the following powers:
- (1) to preside over Shareholders' general meetings and to convene and preside over meetings of the board of directors;
  - (2) to oversee and check on the implementation of resolutions of the board of directors;
  - (3) to sign the securities certificates issued by the Company;
  - (4) to exercise other powers conferred by the board of directors.
- Article 112. The Vice-chairman shall assist the Chairman at work. When the Chairman is unable to perform or is not performing his duty, the Vice-chairman shall perform such duty. In the event that the Vice-chairman is unable to perform or is not performing his/her duties, a director jointly nominated by half or more of the directors shall preside over the meeting.
- Article 113. Regular meetings of the board of directors shall be held four times every year, approximately once per quarter and shall be convened by the Chairman of the board of directors. Upon requisition by the shareholders representing more than one tenth of the voting rights, more than one half of the directors, the audit and risk management committee of the board of directors and more than one half of the independent directors or upon request by the securities regulatory authorities, an extraordinary meeting of the board of directors shall be held. In case of any urgent matters, the Chairman may convene an extraordinary meeting of the board of directors; upon requisition by more than one third of the directors or by the general manager, an extraordinary meeting of the board of directors may be held. The Chairman of the board shall convene and preside over the meeting of the board of directors within 10 days upon receipt of the requisition.
- Article 114. Meetings and extraordinary meetings of the board of directors shall be notified in the following ways:
- (1) No notice of directors' regular meeting shall be required, if the time and place of regular meetings of the board of directors have been fixed by the board of directors in advance.

- (2) Notice of the time and place of a meeting of the board of directors for which the time and place have not otherwise been set in advance by the board of directors shall be notified in advance by the Chairman through the secretary to the board of directors to each of the directors by telex, telegram, facsimile, express delivery, registered mail or personal delivery. For regular meetings, the notice of meeting shall be sent not less than 14 days before such meeting; for provisional meetings, the notice of meeting shall be sent not less than 5 days before such meeting; for provisional meetings of the board of directors to be convened as soon as possible for emergency, the notice of meeting may be sent by telephone or other verbal means at any time, provided that the convener shall make explanation at the meeting.
- (3) The requirement of sending notices of meetings to directors in advance in accordance with this article may be waived with the consents from all of directors; moreover, where directors have attended the meetings, the notices of meetings shall be deemed to be received by directors in due course where no dissents due to failure of receiving the notices of meetings in due course have been raised before and upon the attendance of directors.
- (4) Notice shall be in Chinese and, where necessary, in English also and shall include an agenda of the meeting.

Article 115. A notice of a meeting of the board of directors shall contain:

- (1) the date and venue of the meeting;
- (2) the duration of the meeting;
- (3) the purpose and matters to be discussed;
- (4) the date of the notice.

Article 116. Notice of a meeting shall be deemed to have been given to any director who attends the meeting without protesting against, before or at its commencement, any lack of notice.

Article 117. Meetings of the board of directors shall be held only if a majority of the directors (including any director appointed) are present. Unless otherwise provided for in these articles of association, a resolution of the board of directors must be passed by more than half of all the directors.

Each director shall have one ballot for a resolution put to vote at a meeting of the board of directors.

If any director has connected relationship with the enterprise or individual involved in the resolution made at a meeting of the board of directors, such director shall promptly report in writing to the board of directors. The director who has a connected relationship shall not vote on the said resolution for itself or on behalf of another director. The meeting of the board of directors may be held when more than half of the non-connected directors attend the meeting. The resolution of the meeting of the board of directors shall be passed by more than half of the non-connected directors. If the number of non-connected directors attending the meeting is less than three, the issue shall be submitted to the general meeting for consideration.

Article 118.

Directors shall attend the meetings of the board of directors in person. Where a director is unable to attend a meeting for any reason, he may appoint another director by a written power of attorney to attend the meeting on his behalf. The power of attorney shall set out the proxy's name, the subject matter, the scope of the authorization and the validity period and shall be signed or sealed by the entrusting Director. A Director appointed as a representative of another director to attend the meeting shall exercise the rights of a director within the scope of authority conferred by the appointing director. Where a director is unable to attend a meeting of the board of directors and has not appointed a representative to attend the meeting on his behalf, he shall be deemed to have waived his right to vote at the meeting.

In respect of any matter requiring the resolution of any extraordinary meeting of the board of directors, a resolution approved in writing by at least such number of directors as may be required pursuant to these Articles after the proposed resolution has been reduced into writing and delivered to all directors, shall be deemed to be a valid resolution and a board meeting shall be dispensed with.

Article 119.

Any regular or extraordinary meeting of the board of directors may be held by conference telephone or similar communication equipment so long as all directors participating in the meeting can clearly hear and communicate with each other, and all such directors shall be deemed to be present in person at the meeting.

Article 120. The board of directors shall keep minutes of resolutions on matters discussed at meetings. The minutes shall be signed by the directors and the secretary of the board of directors present at the meeting and the person who recorded the minutes. The directors shall be liable for the resolutions of the board of directors. If a resolution of the board of directors violates the laws, administrative regulations or these articles of association and results in the Company sustaining serious losses, the directors participating in the resolution are liable to compensate the Company. However, if it can be proven that a director expressly objected to the resolution when the resolution is voted on, and that such objection is recorded in the minutes of the meeting, such director may be released from such liability. The minutes of meetings of the board of directors shall be kept as corporate archives for a period not less than 10 years.

Article 121. The minutes of the board of directors shall contain the following:

- (1) date and venue of the meeting and name of the convener;
- (2) names of the directors present at the meeting and names of the directors (proxies) appointed by other directors to attend the meeting of the board of directors;
- (3) the agenda of the meeting;
- (4) main points of the speeches of directors;
- (5) the methods and results of the voting for each proposal (the voting results shall indicate the numbers of the votes of for, against or abstention).

### **Section 3: Independent Directors**

Article 122. In accordance with the requirements of the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, independent directors shall diligently perform their duties, play the roles in decision-making, supervise checks and balances, and provide professional advice to the board of directors, safeguard the overall interests of the Company, and protect the legitimate rights and interests of minority shareholders.

Article 123. Independent directors shall have independence. None of the following persons shall act as independent directors:

- (1) persons working in the Company or its subsidiaries, as well as their spouses, parents, children and major social relations;

- (2) natural person shareholders as well as their spouses, parents and children who directly or indirectly hold not less than one percent of the issued shares of the Company or who are ranked as the top ten shareholders of the Company;
- (3) persons as well as their spouses, parents and children who work in entities which are such shareholders of the Company directly or indirectly holding not less than five percent of the shares of the Company in issue or which are ranked as the top five shareholders of the Company;
- (4) persons as well as their spouses, parents and children who work in the subsidiary of the Company's controlling shareholder and de facto controller;
- (5) persons who have material business transactions with the Company and its controlling shareholders, de facto controllers or their respective subsidiaries, or persons who hold positions in such entities and their controlling shareholders or de facto controllers that have material business transactions with the same;
- (6) persons who provide financial, legal, consulting, recommendation and other services for the Company, its controlling shareholders, de facto controllers or their respective subsidiaries, including but not limited to all personnel of the project team, reviewers at all levels, personnel signing the report, partners, directors, senior officers and principal responsible persons of the intermediary institutions providing services;
- (7) persons who have satisfied the conditions stated in sub-paragraph (1) to sub-paragraph (6) in the last 12 months;
- (8) other persons without independence as stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The subsidiaries of the controlling shareholders and de facto controllers of the Company mentioned in preceding subparagraphs (4) to (6) do not include the enterprises controlled by the same state-owned assets management institution as the Company and not forming a connected relationship with the Company according to relevant regulations.

Independent directors shall conduct self-examination on their independence every year and submit the self-examination results to the board of directors. The board of directors shall evaluate the independence of the independent directors in office and issue special opinions every year, which shall be disclosed together with the annual report.

- Article 124. A person acting as an independent director shall fulfil the following basic requirements:
- (1) he or she shall possess the qualifications to act as the director of a listed company in accordance with the laws, regulations and other relevant requirements;
  - (2) meet the independence requirements stipulated in these Articles of Association;
  - (3) he or she possesses the basic knowledge of operation of a listed company and is familiar with relevant laws, regulations and rules;
  - (4) he or she shall have not less than 5 years of law, accounting, economics or other working experience necessary for performing duties of an independent director;
  - (5) he or she shall have good character traits and shall not have any gross dishonesty or other adverse records;
  - (6) he or she shall fulfil other conditions as prescribed by the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

- Article 125. Independent directors, as members of the board of directors, shall have the duty of loyalty and diligence to the Company and all shareholders to prudently perform the following duties:
- (1) to participate in the decision-making of the board of directors and express clear opinions on the matters discussed;
  - (2) to supervise the potential material conflicts of interest between the Company and its controlling shareholders, de facto controllers, directors and senior officers, so as to protect the legitimate rights and interests of minority shareholders;
  - (3) to provide professional and objective suggestions on the operation and development of the Company, and promote the improvement of the decision-making level of the board of directors;
  - (4) other duties as stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association.

- Article 126. An independent director shall exercise the following special functions and powers:
- (1) to independently engage an intermediary to audit, consult on or verify specific matters of the Company;
  - (2) to propose to the board of directors to convene an extraordinary shareholders' meeting;
  - (3) to propose to convene a board meeting;
  - (4) to publicly solicit shareholders' rights from shareholders according to laws;
  - (5) to express independent opinions on matters that may damage the rights and interests of the Company or minority shareholders;
  - (6) other functions and powers as stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association.

An independent director shall obtain the consent from more than half of all independent directors in the case of exercising his/her functions as described in preceding sub-paragraphs (1) to (3).

If an independent director exercises the functions and powers as described in the sub-paragraph (1) of this Article, the Company shall timely disclose the same. If the aforesaid functions and powers cannot be normally exercised, the Company shall disclose the specific circumstances and reasons.

- Article 127. The following matters shall be submitted to the board of directors for deliberation after obtaining the approval of more than half of all independent directors of the Company:
- (1) Any connected transaction that shall be disclosed;
  - (2) plans for the Company and relevant parties to change or waive their commitments;
  - (3) the decisions made and measures taken by the board of directors when the Company is acquired regarding the acquisition;
  - (4) other matters stipulated by laws, administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association.

Article 128. The Company shall establish a mechanism of special meetings attended by all independent directors. Matters such as related transactions to be considered by the board of directors shall be approved in advance by a special meeting of independent directors.

The Company shall hold special meetings on a regular or irregular basis, and the matters as described in sub-paragraphs (1) to (3) of paragraph 1 of Article 126 and Article 127 of these Articles of Association shall be considered at special meetings of independent directors.

The special meeting of independent directors may study and discuss other matters of the Company as required.

The special meeting of independent directors shall be convened and presided over by an independent director jointly recommended by more than half of the independent directors; if the convener does not perform his duties or is unable to perform his duties, two or more independent directors may convene the meeting and elect a representative to preside over the meeting on their own.

The minutes of the special meeting of independent directors shall be prepared in accordance with the regulations, and the opinions of independent directors shall be recorded in the minutes of the meeting. The independent directors shall sign to confirm the minutes of the meeting.

The Company shall provide convenience and support for the convening of special meetings of independent directors.

Article 129. Regarding independent directors, unless explicitly stipulated in this section, they shall be governed by applicable laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and relevant provisions.

#### **Section 4: Special Committees of the Board of Directors**

Article 130. The Board of Directors shall establish special committees, including the Audit and Risk Management Committee, the Nomination and Remuneration Committee, the Planning, Development and Digitalization Committee, and the Aviation Safety and Environment Committee. All members of the special committees shall be composed of directors. The Board of Directors shall be responsible for formulating the working rules of the special committees to regulate their operations.

Article 131. The Audit and Risk Management Committee shall exercise the powers of the supervisory board as stipulated in the Company Law. The Audit and Risk Management Committee shall be composed of three to five members, who shall be directors who do not hold senior officer positions in the Company, of whom more than half shall be independent directors, with accounting professionals among the independent directors serving as the convener. Employee representative directors among the Board members may serve as members of the Audit Committee.

Article 132. The Audit and Risk Management Committee under the board of directors shall be responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating the internal and external auditing work and internal control. The following matters shall be submitted to the board of directors for deliberation with the approval of more than half of all members of the Audit and Risk Management Committee:

- (1) disclosure of financial information and internal control evaluation reports in financial accounting reports and periodic reports;
- (2) appointment or dismissal of an accounting firm that undertakes the audit business of the Company;
- (3) appointment or dismissal of the listing company's financial controller;
- (4) changes in accounting policies, accounting estimates or corrections of major accounting errors due to reasons other than changes in accounting standards;
- (5) other matters stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association.

Article 133. The Audit and Risk Management Committee shall hold meetings at least once a quarter. Extraordinary meetings may be convened at the proposals of two or more members or when the convener considers it necessary. Meetings of the Audit and Risk Management Committee shall be held with the presence of more than two thirds of the members.

Resolutions of the Audit and Risk Management Committee shall be passed by more than half of the members of the Audit and Risk Management Committee.

Each person shall have one vote for a resolution of the Audit and Risk Management Committee.

The Audit and Risk Management Committee shall prepare the minutes of the meeting with respect of resolutions in accordance with the regulations, and the minutes shall be signed by the members of the Audit and Risk Management Committee attending the meeting.

The working rules of the Audit and Risk Management Committee shall be formulated by the board of directors.

Article 134.

The Nomination and Remuneration Committee of the board of directors shall consist of 3 to 5 directors, with independent directors constituting the majority, and the convener shall be determined in accordance with the provisions of the relevant competent department of the State Council. The Nomination and Remuneration Committee shall be responsible for formulating the selection criteria and procedures for directors and senior management, selecting and reviewing the qualifications of candidates for directors and senior management, establishing performance evaluation standards for directors and senior management and conducting assessments, formulating and reviewing the remuneration decision mechanism, decision-making process, payment, and clawback arrangements for directors and senior management, and making recommendations to the Board of Directors on the following matters:

- (1) nomination or appointment or dismissal of directors;
- (2) appointment or dismissal of senior officers;
- (3) remuneration of directors and senior management;
- (4) formulation or amendment of equity incentive plans, employee stock ownership plans, and the granting of benefits to eligible participants and the fulfillment of conditions for exercising such benefits;
- (5) arrangements for directors and senior management to hold shares in subsidiaries proposed for spin-off.
- (6) other matters stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

If the board of directors does not adopt or does not fully adopt the recommendations of the Nomination and Remuneration Committee, it shall record the opinions of the Nomination and Remuneration Committee and the specific reasons for their non-adoption in the resolution of the board of directors and disclose the same.

Article 135. The Planning, Development and Digitalization Committee of the board of directors shall be composed of 3 to 5 directors, including at least one independent director. The Planning, Development and Digitalization Committee of the board of directors is primarily responsible for researching and deliberating on the Company's long-term development plans, digitalization initiatives and major investment decisions, proposing plans or recommendations, and supervising their implementation.

Article 136. The Aviation Safety and Environment Committee of the board of directors shall be composed of 3 to 5 directors, including at least one independent director. The Aviation Safety and Environment Committee of the board of directors is primarily responsible for implementing national laws and regulations related to aviation safety and ESG, researching and deliberating on the Company's aviation safety management and ESG initiatives, proposing plans, and conducting supervision and management thereof.

## **CHAPTER 6: MANAGER AND OTHER SENIOR ADMINISTRATIVE OFFICERS**

Article 137. The Company shall have one general manager, who shall be appointed and dismissed by the board of directors. The Company shall have a number of deputy general managers who should assist the general manager in his work. The term of office of the general manager and deputy general managers is three (3) years and renewable upon re-election and reappointment.

Article 138. The provisions of these articles of association regarding the circumstances under which a person shall not serve as a director and the departure management system shall equally apply to senior administrative officers. The provisions of these Articles of Association regarding the fiduciary duties and duties of diligence of directors shall also apply to senior administrative officers.

Article 139. Unless exempted by the relevant competent authorities, personnel holding any administrative positions other than director in the Company's controlling shareholder entity shall not serve as senior administrative officers of the Company.

Article 140. The general manager shall be accountable to the board of directors and exercise the following functions and powers:

- (1) to be in charge of the Company's production, operation and management and to organize the implementation of the resolutions of the board of directors, and to report to the board of directors;
- (2) to organize the implementation of the Company's annual business plan and investment plan;

- (3) to draft plans for the establishment of the Company's internal management structure;
- (4) to establish the Company's basic management system;
- (5) to formulate basic rules and regulations for the Company;
- (6) to propose the appointment or dismissal of the Company's deputy general manager(s) and the financial controller;
- (7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors;
- (8) other powers conferred by these articles of association and the board of directors.

Article 141. The general manager shall formulate rules relating to the work of the general manager, which shall be implemented after being submitted to the board of directors for approval. The rules relating to the work of the general manager shall include the following contents:

- (1) The conditions, procedures and participants for the convening of the general manager's work meetings;
- (2) The specific duties and division of responsibilities of each senior administrative officers;
- (3) The authority for the use of the company's funds and assets, the signing of major contracts, and the reporting system to the board of directors;
- (4) Other matters that the board of directors deems necessary.

Article 142. The general manager and deputy general managers shall not, in exercising their powers, vary the resolutions of Shareholders' general meetings and those of the board of directors or exceed the scope of their authorities.

Article 143. The general manager and deputy general managers may tender their resignations before the expiration of their term of office. The specific procedures and measures for the resignation of the general manager and deputy general managers shall be stipulated in the labor contracts between the general manager, deputy general managers and the Company.

Article 144. The Company shall have a secretary of the board of directors who shall be a senior administrative officer of the Company.

- Article 145. 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 primary responsibilities are to ensure that:
- (1) responsible for the preparation of the shareholders' general meeting and the board meeting of the company, as well as the custody of documents, and the Company has complete organisational documents and records;
  - (2) handle the Company's information disclosure affairs, and the Company prepares and delivers in accordance with law those reports and documents required by competent authorities entitled thereto;
  - (3) responsible for the management of shareholder information of the Company, and the Company's registers of shareholders are properly maintained, and that persons entitled to the Company's records and documents are furnished with such records and documents without delay.
  - (4) the Company has a department of investor relations that is specially responsible for strengthening the communications with the shareholders, especially the public shareholders. The secretary of the board of directors shall be in charge of the department of investor relations.

Article 146. A director or other senior administrative officer of the Company may hold the office of the secretary of the board of directors concurrently. The accountant(s) of the certified public accountants firm appointed by the Company shall not act as the secretary of the board of directors.

Provided that where the office of secretary is held concurrently by a director, and an act is required to be done by a director and a secretary separately, the person who holds the office of director and secretary may not perform the act in dual capacity.

Article 147. Where senior administrative officers, in performing their duties for the Company, violate laws, administrative regulations, departmental rules, the securities regulatory rules of the Company's stock listing venue, or the provisions of these Articles of Association, and cause losses to the Company, they shall be liable for compensation.

Where senior administrative officers, in performing their duties for the Company, cause harm to others, the Company shall assume liability for compensation; where senior administrative officers act intentionally or with gross negligence, they shall also be liable for compensation.

Article 148. The senior administrative officers of the Company shall perform their duties honestly and faithfully, and protect the maximum interests of the Company and all the shareholders, failing that or violating their fiduciary duties to cause any damage on the interests of the Company and the public shareholders shall hold them legally liable for the compensation.

## **CHAPTER 7: THE QUALIFICATIONS AND DUTIES OF THE DIRECTORS OF THE COMPANY**

Article 149. A person shall not serve as a director of the Company if any of the following circumstances apply:

- (1) a person without capacity for civil conduct or with restricted capacity for civil conduct;
- (2) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the socialist economic order and has been punished because of committing such offence; or who has been deprived of his political rights, in each case where less than five (5) years have elapsed since the date of the completion of implementation of his punishment, or a person who has been granted probation and is within two years from the expiration of the probation period;
- (3) a person who is a former director, factory manager or manager of a company or enterprise which has entered into bankruptcy and liquidation, where less than three (3) years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;
- (4) a person who is a former legal representative of a company or enterprise which had its business licence revoked or was ordered to close due to a violation of the law and who incurred personal liability, where less than three (3) years has elapsed since the date of the revocation of the business licence or closure order;
- (5) a person who has a relatively large amount of debts due and outstanding and has been listed as a dishonest person by the People's Court;
- (6) a person who is prohibited from entering into the securities market by the CSRC and is still in such prohibition period;
- (7) a person who has been publicly declared by any stock exchange as not suitable to serve as a director or senior management of a listed company, the term of which has not expired;

- (8) other circumstances as stipulated in laws, administrative regulations or departmental rules.

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

## **CHAPTER 8: THE PARTY COMMITTEE**

Article 150. The Company shall establish the Party Committee. The Party Committee shall be comprised of one secretary and several other members. A deputy secretary of the Party Committee shall be appointed to take charge of the Party building work. Eligible members of the Party Committee are entitled to be admitted to the board of directors of the Company and the management through legal procedures, and eligible Party members from the board of directors and the management are entitled to be admitted to the Party Committee in accordance with relevant rules and procedures. Meanwhile, a discipline inspection committee shall be established in accordance with relevant regulations.

Article 151. The Party Committee of the Company shall perform its duties as required by the internal laws and regulations of the Party such as the Constitution of the Party:

- (1) to ensure and supervise the Company's implementation of guidelines and policies of the Party and the State, implement major strategic decisions of the Central Committee of the Party and the State Council, as well as the relevant material work arrangement of the Party Committee of the State-owned Assets Supervision and Administration Commission of the State Council and the superior Party organizations.
- (2) to adhere to the principle of the Party exercising leadership over cadres, the selection of management with the board of directors of the Company, and the exercise of power as regards the right of cadres' appointment by the management in accordance with laws. The Party Committee shall consider and propose opinions and suggestions on the candidates nominated by the board of directors or the general manager, or recommend nominees to the board of directors or the general manager. It shall review the proposed candidates together with the board of directors and propose opinions and suggestions thereon.
- (3) to study and discuss the material matters regarding the Company's reform and stable development as well as major issues relating to the Company's operation, management and staff's benefits, and propose opinions and suggestions thereon.

- (4) to assume main responsibility for enforcing the strict discipline of the Party. Take lead in the Company's ideological and political work, the united front work, building of spiritual and corporate culture, as well as the labour union and groups such as the Communist Youth League. It shall play a leading role in the construction of the Party's working style to uphold anti-corruption and integrity and support the discipline inspection committee in fulfilling its supervisory responsibility.

## **CHAPTER 9: FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND AUDITING**

### **Section 1: Financial and Accounting Systems**

Article 152. The Company shall establish its financial and accounting systems in accordance with laws, administrative regulations, departmental rules and the provisions of the relevant state departments.

Article 153. The Company shall submit and disclose its annual reports to the CSRC and the stock exchange within four months from the end of each fiscal year, submit and disclose its interim reports to the relevant branch office of the CSRC and the stock exchange within two months from the end of the first half of each fiscal year. Where the securities regulatory authority of the place where the Company's shares are listed stipulates otherwise, such stipulations shall apply.

The above annual and interim reports are prepared in accordance with the requirements of the relevant laws and administrative regulations, the CSRC and stock exchanges.

Article 154. The Company shall not keep accounts other than those provided by law. The Company's funds shall not be deposited in accounts opened in the name of any individual.

### **Section 2: Profit Distribution**

Article 155. When distributing the current year's after-tax profits, the Company shall allocate 10% of its profits into its statutory common reserve fund. When the aggregate amount of the statutory common reserve fund has reached 50% or more of its registered capital, further allocations are not required.

If the Company's statutory common reserve fund is not sufficient to make up for the its losses incurred during the previous year, before allocations are made to the statutory common reserve fund in accordance with the preceding paragraph, the current year's profits shall be used to make up for such losses.

After the Company has allocated funds from the after-tax profits for the statutory common reserve fund and subject to a resolution adopted at the general meeting of shareholders, it may also allocate funds from the after-tax profits to the discretionary common reserve fund.

After the Company has made up its losses and made allocations to its statutory common reserve fund from the after-tax profits, it may also make profit distributions in accordance with the proportion of the shares held by each shareholder unless it is stipulated in the Articles of Association that no profit distributions shall be made in accordance with the shareholding proportion.

The board of directors shall, in accordance with laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, the Articles of Association, and the Company's operational and development needs, determine the specific proportions for the statutory common reserve fund, discretionary common reserve fund and dividend distribution, and submit its determination to the Shareholders' general meeting for approval.

If the general meeting, in violation of the Company Law, distributes profits to the shareholders, the profits so distributed shall be returned to the Company; in case of losses caused to the Company, shareholders and responsible directors and senior management shall be liable for compensation.

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

Unless otherwise resolved by the Shareholders' general meeting, the Company apart from distributing annual dividends, may by its board of directors acting under the power conferred by the Shareholders' general meeting, distribute interim dividends. Unless otherwise stipulated by laws or administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, the amount of interim dividends distributed shall not exceed 50 per cent of the distributable profits as stated in the interim profits statement of the Company.

Article 156.

The common reserve fund of the Company shall be used to make up the Company's losses, to expand the Company's production and operations or, through conversion into capital, to increase the Company's registered capital. When the common reserve fund is used to make up for the Company's losses, the discretionary common reserve fund and statutory common reserve fund shall be utilised at first; if still insufficient, the capital common reserve fund may be used according to regulations.

When funds in the statutory common reserve are converted into increased registered capital, the funds remaining in such reserve shall not be less than 25% of the Company's registered capital before the conversion.

Article 157. The Company's profit distribution policy should pay close attention to ensuring a reasonable return of investment to investors, and such profit distribution policy should maintain continuity and stability. The Company shall reasonably distribute dividends according to laws and regulations and requirements of securities regulatory authorities, as well as the Company's own operating performance and financial condition, and shall adopt cash distribution as the prioritised means of distribution to distribute profit.

Article 158. Profit distribution manner: The Company may distribute dividends by way of cash, shares, a combination of cash and shares or in other reasonable manner in compliance with laws, administrative regulations, departmental rules and securities regulatory rules of the place where the Company's shares are listed. The objective of the Company's cash dividend policy is to distribute dividends in accordance with the specific proportion and requirements of cash dividends stipulated in the Articles of Association.

Article 159. Procedures for decision-making on profit distribution by the Company: After the end of each accounting year, the board of directors shall carefully study and examine the profit distribution plan. After consideration and approval by the board of directors, the profit distribution plan shall be proposed to the general meeting for voting. Implementation of the profit distribution plan shall be subject to consideration and approval at the general meeting.

When considering the profit distribution plan at the general meeting of the Company, the board of directors shall communicate and exchange opinions with shareholders, especially minority shareholders, in a proactive manner, fully consider the opinions and requests from minority shareholders and respond to the issues which are of concern to them on a timely basis.

Article 160. Amendments to profit distribution policy of the Company: The board of directors of the Company shall carefully study and examine and strictly follow the decision-making procedures in the event that the profit distribution policy needs to be adjusted by reason of any changes in laws, administrative regulations, departmental rules and securities regulatory rules of the place where the Company's shares are listed, or significant changes of external operating environment or operating condition of the Company. In the event of amendments to the profit distribution policy of the Company, the board of directors shall consider the revised plan. Such amendments shall be disclosed to the public upon consideration and approval at the general meeting.

- Article 161. Conditions and proportion of distribution of cash dividends by the Company:
- Proposal and implementation of cash dividends distribution by the Company shall be subject to the following conditions:
- (1) The Company records a profit for the year, and the audit institution issues an unqualified audited report on the Company's financial statements for that particular year;
  - (2) The distributable profit (i.e. the after-tax profit of the Company after making up for losses, allocation to the statutory common reserve fund and discretionary common reserve fund) realized by the Company for the year is positive in value;
  - (3) The Company has sufficient cash flow, and distribution of cash dividends will not affect the Company's normal operation and sustainable development.
- Provided that the Company is in good operating condition and has sufficient cash flow to meet the needs for its normal operation and sustainable development, the Company will proactively distribute cash dividends in return to its shareholders, and the accumulated profit distribution made in cash by the Company in the latest three years shall not be less than 30% of the average annual distributable profit attributable to the owners of the parent company in the consolidated statements in the latest three years. In the event that the said payout ratio of cash dividends cannot be met due to special reasons, the board of directors may adjust the payout ratio of dividends according to actual circumstances and state the reasons therefor.
- Article 162. Conditions of profit distribution by way of share dividends by the Company: Provided that reasonable scale of share capital and shareholding structure of the Company are ensured, the Company may consider distributing profits by way of share dividends according to its profitability, cash flow position and business growth for the year.
- Article 163. Intervals for profit distribution by the Company: Provided that the conditions of profit distribution are met and the Company's normal operation and sustainable development are ensured, the Company shall generally distribute profit on an annual basis. The board of directors of the Company may also propose interim profit distribution based on the profitability and capital position of the Company. Subject to fulfillment of the cash distribution conditions under the articles of association of the Company, the Company shall implement annual cash distribution once a year in principle.

Article 164. Dividends or other payments declared by the Company to be payable to holders of Domestic-Invested Shares shall be declared and calculated in Renminbi, and paid in Renminbi; and those payable to holders of Foreign-Invested Shares shall be declared and calculated in Renminbi, and paid in the local currency at the place where such Foreign-Invested Shares are listed (if there is more than one place of listing, then the principal place of listing as determined by the board of directors).

Foreign currency required by the Company for payment of dividends or other sums to holders of Foreign-Invested Shares shall be handled in accordance with the relevant foreign exchange control regulations of the State. If there is no applicable regulation, the applicable exchange rate shall be the average closing rate for the relevant foreign currency announced by the Peoples' Bank of China for the week prior to the announcement of the payment of dividend or other sums.

Article 165. After a resolution is made at the general meeting on the profit distribution plan, or after the board of directors of the Company has formulated a specific plan based on the conditions and maximum amount of interim dividends for the following year as considered and approved at the annual general meeting, the distribution of dividends (or shares) shall be completed within two months.

### **Section 3: Internal Audit**

Article 166. The Company implements an internal audit system, clarifying the leadership system, responsibility authorities, personnel allocation, funding assurance, audit result application, and accountability of internal audit work. The Company's internal audit system shall be implemented after being approved by the board of directors and disclosed to the public.

Article 167. The internal audit institution of the Company shall supervise and inspect the business activities, risk management, internal control, financial information and other matters of the Company. The internal audit institution shall maintain its independence, be staffed with full-time auditors, and shall not be placed under the leadership of the finance department or co-located with the finance department.

Article 168. The internal audit institution reports to the board of directors. During the process of supervising and inspecting the Company's business activities, risk management, internal control, and financial information, the internal audit institution shall accept the supervision and guidance of the audit and risk management committee. Where the internal audit institution discovers relevant significant issues or leads, it shall immediately report directly to the audit and risk management committee.

Article 169. The specific organization and implementation of the Company's internal control evaluation shall be the responsibilities of the internal audit institution. The Company issues an annual internal control evaluation report based on evaluation reports and relevant information issued by the internal audit institution and reviewed by the audit and risk management committee.

Article 170. When the audit and risk management committee communicates with external audit firms such as accounting firm and national audit institution, the internal audit institution shall actively cooperate with them, providing necessary support and collaboration.

Article 171. The audit and risk management committee shall participate in the evaluation of the person in charge of internal audit.

#### **Section 4: Appointment of Accountants Firm**

Article 172. The Company shall appoint a firm of accountants which is qualified under the requirements of the Securities Law and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited to audit the financial statements, net assets verification and other relevant consultancy services. The term of office of an accountants firm appointed by the Company shall be one year, and the appointment may be renewed.

Article 173. The Company's appointment of and removal of an accountants firm shall be resolved upon by shareholders in general meeting. The board of directors shall not appoint any accountants firm prior to a decision made by the general meeting.

Article 174. The Company guarantees that the accounting documents, account books, financial and accounting reports and other information related to accounting which is provided to the accountants firm by the Company are true and complete. The Company must neither reject to provide information, nor hide it, nor lie about it.

Article 175. The audit fee of an accountants firm shall be determined by the shareholders in general meeting.

Article 176. Prior to the removal or the non-renewal of the appointment of the accountants firm, 10 days' prior notice of such removal or non-renewal shall be given to the accountants firm. The accountants firm shall be entitled to make representations when the resolution regarding the removal of the accountants firm is considered at the Shareholders' general meeting of the Company.

Where the accountants firm proposes to resign, it shall explain to the general meeting whether there has been any impropriety on the part of the Company.

## CHAPTER 10: NOTICES AND ANNOUNCEMENTS

### Section 1: Notices

- Article 177. Subject to compliance with laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the Company's shares are listed, the Company's notice is given by the following manners:
- (I) in person;
  - (II) by mail;
  - (III) by announcement;
  - (IV) making announcement in the Company's website or the websites designated by a stock exchange subject to compliance with laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these articles of association;
  - (V) by other means stipulated in these articles of association.
- Article 178. Where a notice is served by way of announcement, after the publication of such announcement, all related persons shall be deemed to have received the relevant notice.
- Article 179. If the notice of the Company is delivered by hand, the addressee shall sign (or stamp) on the receipt of service, and the date of signature of the addressee shall be the date of service; if a notice of the Company is sent by mail, the date of service shall be the fifth working day after the date of delivery to the post office; if the notice of the Company is sent by fax, the date of delivery shall be the sending date (as shown in the fax report); if the notice of the Company is sent by mail, the date of the entrance of the email in the mail system designated by the recipient shall be the date of service; if a notice of the Company is sent by way of announcement, the date of publication of the first announcement shall be the date of service.
- Article 180. The meeting and the resolution of the meeting shall not be null and void if the notice of the meeting fails to be delivered to or received by any person entitled to the notice due to accidental omission.

## **Section 2: Announcement**

Article 181. The information disclosure website of the Shanghai Stock Exchange (www.sse.com.cn) and the newspapers meeting the requirements of the CSRC are designated by the Company to publish company announcements and other information that needs to be disclosed to domestic shareholders. If an announcement is to be made to Shareholders of H Shares under these Articles of Association, such an announcement shall also be published in accordance with the methods set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## **CHAPTER 11: MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION**

### **Section 1: Merger, Division, Capital Increase and Capital Reduction**

Article 182. The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

Merger by absorption shall mean the absorption by the Company of other company(ies) in which case the absorbed company(ies) shall be dissolved. Merger by the establishment of a new company shall mean the merger of other companies with the Company to form a new company, in which case the parties to the merger shall be dissolved.

Where the price paid by the Company for a merger does not exceed ten percent of the Company's net assets, the merger may be effected without a resolution of the Shareholders' general meeting, unless otherwise provided for in these Articles of Association.

Where the Company mergers pursuant to the aforesaid provision without a resolution of the Shareholders' general meeting, it shall be resolved by the board of directors.

Article 183. In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days of the date of the Company's merger resolution and shall publish a public notice in a newspaper or on the National Enterprise Credit Information Publicity System within thirty days of the date of the Company's merger resolution.

A creditor has the right, within thirty days upon receipt of the notice, or for those who have not received the notice, within forty-five days from the date of the public announcement, to demand the Company to repay its debts or provide a corresponding guarantee for such debt.

Upon the merger, rights in relation to debtors and indebtedness of each of the merged parties shall be assumed by the company which survives the merger or the newly established company.

Article 184. When the Company is divided, its assets shall be split up accordingly.

In the event of division of the Company, a balance sheet and an inventory of assets shall be prepared. The Company shall notify its creditors within ten days of the date of the Company's resolution to divide and shall publish a notice in a newspaper or on the National Enterprise Credit Information Publicity System within thirty days of the date of the Company's resolution to divide.

Article 185. The debts before the event of division of the Company shall be jointly and severally liable by the companies after division. However, there is exception if the Company and creditors have otherwise agreed upon the debt repayment in written agreement before the event of division of the Company.

Article 186. The Company shall prepare a balance sheet and an inventory of assets when it reduces its registered capital.

The Company shall notify its creditors within ten days from the date of the resolution on the reduction of its registered capital at Shareholders' general meeting and shall publish a public notice in a newspaper or on the National Enterprise Credit Information Publicity System within thirty days. A creditor has the right, within thirty days upon receipt of the notice, or for those who have not received the notice, within forty-five days from the date of the public announcement, to demand the Company to repay its debts or provide a corresponding guarantee for such debt.

When the Company proposes to reduce its registered capital, it shall correspondingly reduce the amount of capital contribution or shares held by shareholders in proportion to their shareholdings, unless otherwise stipulated by law, administrative regulations, departmental rules, rules of securities regulation of the place where the Company's shares are listed, or these Articles of Association.

Article 187. Where the Company still incurs losses after making up its losses in accordance with these Articles of Association, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for losses, the Company shall not make distribution to its shareholders, nor exempt the shareholders from their obligation to make capital contribution or calls on share.

The provisions of the Paragraph 2 of Article 186 of these Articles of Association shall not apply to the reduction in the registered capital in accordance with the preceding paragraph. The Company shall publish an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within thirty days from the date of the resolution on the reduction of its registered capital at Shareholders' general meeting.

After reducing its registered capital in accordance with the provisions of the preceding two paragraphs, the Company shall not distribute profits until the cumulative amount of its statutory common reserve fund and discretionary common reserve fund reaches 50% of its registered capital.

If the reduction of the registered capital is in violation of the Company Laws and other relevant regulations, shareholders shall return the funds they have received and the reduced capital contribution of the shareholders shall be restored to its original amount; in case of losses caused to the Company, the shareholders and the liable directors and senior management shall be liable for compensation.

Article 188. Where an increase in registered capital of the Company is made by means of issue of new shares, the shareholders do not have any pre-emptive right unless otherwise stipulated in these Articles of Association or the Shareholders' general meeting resolves that the shareholders shall have pre-emptive right.

Article 189. When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with the law. When the Company dissolves, the Company shall cancel its registration in accordance with the law. When a new company is established, its establishment shall be registered in accordance with the law.

When the Company increases or reduces its registered capital, such changes shall be registered with the company registration authority in accordance with the law.

## **Section 2: Dissolution and Liquidation**

Article 190. The Company shall be dissolved for the following reasons:

- (1) the term of operation expires, or any dissolution events as stipulated in these Articles of Association occur;
- (2) a resolution for dissolution is passed by shareholders at a general meeting;

- (3) dissolution is necessary due to a merger or division of the Company;
- (4) the business license of the Company is revoked, or the Company is ordered to close down or is dissolved in accordance with laws;
- (5) shareholders holding not less than 10% of the total voting rights of the Company applies to the People's Court for dissolution when the Company experiences severe difficulties in its operations and management and continual operation of the Company will bring significant losses to the interest of shareholders while there are no other ways to resolve the difficulties.

If the Company encounters the grounds for dissolution as stipulated in the preceding paragraph, it shall publicly announce the grounds for dissolution through the National Enterprise Credit Information Publicity System within ten days.

Article 191. Where the situation set forth in paragraph (1) and (2) of Article 190 of these Articles of Association occurs, and no property has been distributed to its shareholders, the Company may continue to exist by amending these Articles of Association or resolutions made by the general meeting.

Amendments to these Articles of Association or resolutions made by the general meeting in accordance with preceding paragraph shall be passed by a vote representing more than two-thirds of the voting rights of the shareholders present at the general meeting.

Article 192. Should the Company dissolve due to reasons stipulated in the items (1), (2), (4) and (5) of Article 190 of these Articles of Association, it shall be liquidated. The directors, who are the liquidation obligors of the Company, shall set up a liquidation group to carry out liquidation within fifteen days after the occurrence of the dissolution event. The liquidation group shall consist of the directors, unless otherwise provided for in these Articles of Association or another person resolved to be elected at the general meeting. Where the liquidation obligors fail to fulfil their liquidation obligations in a timely manner and cause losses to the Company or creditors, they shall be liable for compensation.

Article 193. During the liquidation period, the liquidation group shall exercise the following functions and powers:

- (1) to sort out the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (2) to send notices to creditors or notify them by public notice;

- (3) to dispose of and liquidate any relevant unfinished business matters of the Company;
- (4) to pay all outstanding taxes and the taxes arising during the liquidation process;
- (5) to settle claims and debts;
- (6) to distribute the assets remaining after the Company's debts have been repaid;
- (7) to represent the Company in any civil litigation proceedings.

Article 194.

The liquidation group shall notify the creditors within 10 days of its establishment, and publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall file their claims to the liquidation group within 30 days of the date on which the notice is received or 45 days of the date of announcement if no notice is received.

Creditors who file claims shall state matters relating to their claims with supporting evidence. The liquidation group shall register the creditor's claims.

The liquidation group shall not pay off any debts to any creditors during the period of filing of creditor's claims.

Article 195.

After sorting out the Company's assets and the preparation of the balance sheet and an inventory of assets, the liquidation group shall formulate a liquidation plan and present it to a Shareholders' general meeting or to the People's Court for confirmation

The assets of the Company remaining after payment of liquidation expenses, employee wages, social insurance expenses and statutory compensation, outstanding taxes and the Company's debts, shall be distributed to the Shareholders according to the proportion of their shareholdings.

During the liquidation period, the Company shall subsist but shall not engage in business activities unrelated to liquidation.

The Company's assets shall not be distributed to shareholders prior to making repayment pursuant to the provisions of the preceding paragraph.

Article 196. If after putting the Company's assets in order and preparing a balance sheet and an inventory of assets, the liquidation group discovers that the Company's assets are insufficient to repay the Company's debts in full, the liquidation group shall immediately apply to the People's Court for a declaration of insolvency liquidation.

After a Company is declared insolvent by a ruling of the People's Court, the liquidation group shall turn over liquidation matters to the bankruptcy administrator appointed by the People's Court.

Article 197. Following the completion of liquidation, the liquidation group shall present a report on liquidation which shall be submitted to the Shareholders' general meeting or the People's Court for confirmation and submit to the companies registration authority and apply for cancellation of registration of the Company.

Article 198. The members of the liquidation group shall bear the duties of loyalty and diligence and perform their liquidation duties in accordance with law.

Any member of the liquidation group who neglects to fulfill his/her liquidation duties, thus causing any loss to the Company shall be liable for compensation; and any member of the liquidation group who cause any loss to any creditor due to his/her intentional or gross negligence shall be liable for compensation.

Article 199. If the Company is legally declared insolvent, it shall implement insolvency liquidation in accordance with the relevant laws relating to insolvency of an enterprise.

## **CHAPTER 12: AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Article 200. The Company shall amend the Articles of Association under the following circumstances:

- (I) After the Company Law or relevant laws, administrative regulations, departmental rules or the securities regulatory rules of the place where the Company's shares are listed are amended, the provisions of the Articles of Association conflict with the relevant amended requirements;
- (II) The Company's circumstances change and are inconsistent with the matters recorded in the Articles of Association;
- (III) The Shareholders' general meeting resolves to amend the Articles of Association.

If the amendment to the Articles of Association passed by a resolution of the Shareholders' general meeting requires approval by the competent authority, it shall be submitted to the competent authority for approval. If there is any change relating to the registered particulars of the Company, application shall be made for registration of the changes in accordance with law.

The board of directors shall amend the Articles of Association in accordance with the resolution of the Shareholders' general meeting on the amendment to the Articles of Association and the approval opinions of the competent authority.

Article 201. If the amendment to the Articles of Association involves information required to be disclosed by laws, administrative regulations, departmental rules or the securities regulatory rules of the place where the Company's shares are listed, it shall be announced in accordance with the requirements.

## **CHAPTER 13: SUPPLEMENTARY**

Article 202. Definitions:

- (1) Controlling shareholder refers to the shareholder who holds more than 50% of the total share capital of a joint stock limited company; or a shareholder who holds less than 50% of the shares but the voting rights attached to those shares held are sufficient to exert significant influence on the resolutions of the Shareholders' general meeting.
- (2) De facto controller refers to a natural person, legal person or other organization which, through an investment relationship, agreement or other arrangements, can control the conduct of the Company.
- (3) Connected relationship refers to the relationship of the controlling shareholders, de facto controller, the Directors and senior management officers of the Company with the enterprise under their direct or indirect control, and any other relationships that may lead to the transfer of interests of the Company. However, enterprises controlled by the state are not connected merely because they are both under control of the state.

Article 203. The board of directors may formulate by-laws in accordance with the provisions of the Articles of Association, provided that such by-laws shall not be in violation of the Articles of Association. Annexes to these articles of association include rules of procedures of the Shareholders' general meeting and the rules of procedures of the board of directors.

- Article 204. These articles of association are written in Chinese. In the event of any discrepancy between the Articles of Association in any other language or of different version and these articles of association, the latest Chinese version of the Articles of Association of the Company registered with the companies registration authority shall prevail.
- Article 205. The expressions of “above”, “within” and “below” used in these articles of association shall include the figure itself; and the expressions of “exceed”, “beyond”, “lower than” and “more than” shall not include the figure itself.
- Article 206. The interpretation of these articles of association shall be vested to the board of directors of the Company.