

SINOPEC SHANGHAI PETROCHEMICAL CO LTD

Form 6-K

August 04, 2017

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**SECURITIES AND EXCHANGE COMMISSION**

**Washington D.C. 20549**

**FORM 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER**

**PURSUANT TO RULE 13a-16 OR 15d-16 UNDER**

**THE SECURITIES EXCHANGE ACT OF 1934**

**For the month of August 2017**

**Commission File Number: 1-12158**

**Sinopec Shanghai Petrochemical Company Limited**

**(Translation of registrant's name into English)**

**No. 48 Jinyi Road, Jinshan District, Shanghai, 200540**

**The People's Republic of China**

**(Address of principal executive offices)**

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F

Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

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EXHIBITS

Exhibit

Number

99.1 Resolutions Passed at the First Extraordinary General Meeting of 2017;

99.2 List of Directors and their Role and Function; and

99.3 Articles of Association.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SINOPEC SHANGHAI PETROCHEMICAL COMPANY  
LIMITED

Date: August 3, 2017

By: /s/ Wang Zhiqing  
Name: Wang Zhiqing  
Title: President

**Table of Contents****Exhibit 99.1***(A joint stock limited company incorporated in the People's Republic of China)***Resolutions Passed at the First Extraordinary General Meeting of 2017****Important:**

**Objection made to the resolutions proposed at the first extraordinary general meeting of 2017 of the Company (the EGM): No**

**I. The convening and attendance of the EGM**

(1) Date and time of the EGM: 2 August 2017 at 2:00 p.m.

(2) Venue of the EGM: North Building, Jinshan Hotel, No. 1, Jinyi East Road, Jinshan District, Shanghai, the People's Republic of China (the PRC)

(3) Information of ordinary shareholders who attended the EGM and their shareholdings:

Shareholders of Sinopec Shanghai Petrochemical Company Limited (the Company) who were entitled to attend the EGM held an aggregate of 10.8 billion shares with voting rights (consisting of 7.305 billion A shares and 3.495 billion H shares). No shareholder of the Company who was entitled to attend the EGM was required to abstain from voting in favor of any of the resolutions at the EGM as set out in Rule 13.40 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the Hong Kong Listing Rules), nor was required to abstain from voting under the Hong Kong Listing Rules.

In respect of the convening of the EGM:

1. Number of shareholders and proxies attending the EGM	63
of which: number of A share shareholders	61
number of H share shareholders	2
2. Total number of shares with voting rights held by the attending shareholders (shares)	8,942,440,743
of which: total number of shares held by A share shareholders	5,487,316,422

total number of shares held by H share shareholders	3,455,124,321
3. Percentage of shares with voting rights held by such attending shareholders in the total issued shares of the Company with voting rights (%)	82.8004
of which: percentage of total issued shares held by A share shareholders	50.8085
percentage of total issued shares held by H share shareholders	31.9919

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- (4) The EGM was convened by the board of directors (the Board) of the Company, and Mr. Wang Zhiqing, Chairman of the Company, was absent due to other business engagements. He had authorized Mr. Gao Jinping, Vice Chairman of the Company to preside over the EGM. The convening and voting of the EGM complied with the relevant regulations of the Company Law of the PRC and the articles of association of the Company.
- (5) Attendance of directors, supervisors and other senior management at the EGM
1. The Board had twelve directors, five of whom attended the EGM. Mr. Gao Jinping, Vice Chairman, Mr. Guo Xiaojun, Executive Director and Secretary to the Board, Mr. Jin Qiang and Mr. Zhou Meiyun, Executive Directors, and Mr. Mo Zhenglin, Non-executive Director, attended the EGM. Mr. Wang Zhiqing, Chairman, Mr. Wu Haijun, Vice Chairman, Mr. Lei Dianwu, Non-executive Director, Mr. Zhang Yimin, Mr. Liu Yunhong, Mr. Du Weifeng and Mr. Pan Fei, Independent Non-executive Directors, were absent from the EGM due to other business engagements.
  2. The Supervisory Committee of the Company had six supervisors, four of whom attended the EGM. Mr. Zuo Qiang and Ms. Li Xiaoxia, supervisors, Mr. Zheng Yunrui and Mr. Choi Ting Ki, Independent Supervisors, attended the EGM. Mr. Zhai Yalin and Mr. Fan Qingyong, supervisors, were absent from the EGM due to other business engagements.
  3. Ms. Li Yuanqin, nominee for Independent Non-executive Director, and Mr. Jin Wenmin, Vice President, attended the EGM.

**II. Voting results of resolutions**

Special resolution no. 1 and ordinary resolution no. 2 were considered and voted at the EGM through a combination of on-site open ballot and on-line voting. The poll results of each of the resolutions are as follows:

(1) Resolutions by way of non-cumulative voting

1. Resolution: The amendments to the Articles of Association of the Company and its appendix as proposed by the Board, and the authorisation to the secretary to the Board to, on behalf of the Company, transact all relevant matters in relation to such amendments regarding any applications, approvals, disclosures, registrations and filings (including wording amendments as requested by the regulatory authorities)

Results of consideration: passed

Voting results:

Type of	For	Against
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Shareholders	Number of votes	Percentage <sup>Note</sup> (%)	Number of votes	Percentage <sup>Note</sup> (%)
A Shares	5,487,018,440	99.9946	294,014	0.0054
H Shares	1,530,405,619	99.8679	2,024,600	0.1321
Total number of ordinary shares	7,017,424,059	99.9670	2,318,614	0.0330

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Note:

Pursuant to Article 91 of the articles of association of the Company, abstentions or failures to cast vote were not treated as shares with voting rights when the Company calculated the results of voting. (same below)

Percentage of shares voted in favor refers to the proportion of shares voted in favor by the type of shareholders to the total number of shares with valid voting rights (i.e. shares voted in favor + shares voted against) held by the type of shareholders (or their proxies) attending the EGM. (same below)

Percentage of shares voted against refers to the proportion of shares voted against by the type of shareholders to the total number of shares with valid voting rights (i.e. shares voted in favor + shares voted against) held by the type of shareholders (or their proxies) attending the EGM. (same below)

2. Resolution: The election of Ms. Li Yuanqin as an independent non-executive director of the Ninth Session of the Board

Results of consideration: passed

Voting results:

Type of Shareholders	For		Against	
	Number of votes	Percentage (%)	Number of votes	Percentage (%)
A Shares	5,487,018,440	99.9946	294,014	0.0054
H Shares	1,511,250,000	98.5159	22,766,219	1.4841
Total number of ordinary shares	6,998,268,440	99.6716	23,060,233	0.3284

(2) Voting details on material issues by A-shares shareholders individually or jointly holding less than 5% interests of the Company's total number of shares

Resolution number	Resolution	For		Against	
		Number of votes	Percentage (%)	Number of votes	Percentage (%)
2	The election of Ms. Li Yuanqin as an independent non-executive director of the Ninth Session of the Board	27,018,440	98.9235	294,014	1.0765

(3) Explanation in relation to the voting results of the resolutions

Resolution no. 1 is a special resolution, which was passed by over two-thirds of the total number of shares with voting rights by the attending shareholders and proxies having valid voting rights.

Resolution no. 2 is an ordinary resolution, which was passed by over half of the total number of shares with voting rights by the attending shareholders and proxies having valid voting rights.



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The Company had appointed its international auditor for the year 2017, PricewaterhouseCoopers, as the scrutineer of the EGM to monitor the vote-taking procedures. The chairman of the EGM has complied with the voting instructions stipulated by HKSCC Nominees Limited.

### **III. Appointment of director**

Upon the voting in the EGM, Ms. Li Yuanqin was elected as an independent non-executive director of the Ninth Session of the Board.

The Ninth Session of the Board held its second meeting on 2 August 2017, which considered and approved the election of Ms. Li Yuanqin as the Chairman of the Audit Committee and a member of the Strategy Committee.

For the biographical details of the newly appointed independent non-executive director, please refer to the announcement regarding the addition of resolution to be passed at the first EGM (published in China Securities Daily, Shanghai Securities Journal, Securities Times as well as on the Shanghai Stock Exchange's website, the website of Hong Kong Exchanges and Clearing Limited and the Company's website on 18 July 2017, or the supplemental circular to the holders of H shares dated 19 July 2017).

Appointment of Ms. Li Yuanqin is effective from the date of the EGM. Meanwhile, the resignation tendered by Mr. Pan Fei, Independent Non-executive Director, on 7 July 2017 is also effective from the date of the EGM.

### **IV. Lawyer's certification**

(1) Legal advisor: Beijing Haiwen & Partners  
Lawyers: Mr. Gao Wei and Mr. Sun Yi

(2) Lawyers' certification:

As attested by and stated in the legal opinion (the "Legal Opinion") issued by Mr. Gao Wei and Mr. Sun Yi of Beijing Haiwen & Partners, the Company's legal advisors as to PRC law, the convening and holding of the EGM, the qualification of the convener, the qualifications of shareholders or proxies who attended the EGM and the voting procedures adopted at the EGM were in compliance with the provisions of the relevant laws and the articles of association of the Company. As a result, the resolutions of the EGM are legally valid.

### **V. Documents available for inspection**

(1) Resolutions Passed at the First Extraordinary General Meeting for 2017, signed and confirmed by the directors, supervisors and the secretary to the Board who attended thereat, and stamped with the stamp of the Company;

- (2) Attested legal opinions duly signed by the officer of the legal advisor and stamped; and
  
- (3) Other documents required by the Shanghai Stock Exchange.

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By Order of the Board

**Sinopec Shanghai Petrochemical Company Limited**

**Guo Xiaojun**

*Joint Company Secretary*

Shanghai, the PRC, 2 August 2017

**Table of Contents****Exhibit 99.2***(A joint stock limited company incorporated in the People's Republic of China)***List of Directors and their Role and Function**

The members of the board of directors (the Board) of Sinopec Shanghai Petrochemical Company Limited are set out below:

**Executive Director, Chairman, President**

Wang Zhiqing

**Executive Director, Vice Chairman**

Wu Haijun

**Executive Director, Vice Chairman,  
Vice President**

Gao Jinping

**Executive Directors, Vice Presidents**

Jin Qiang

Guo Xiaojun

**Executive Director, Vice President,  
Chief Financial Officer**

Zhou Meiyun

There are 4 Board committees. The table below provides membership information of these committees on which each Board member serves.

**Board****Committee**

<b>Director</b>	<b>Audit Committee</b>	<b>Remuneration and Appraisal Committee</b>	<b>Nomination Committee</b>	<b>Strategy Committee</b>
Wang Zhiqing			M	C
Wu Haijun				
Gao Jinping				
Jin Qiang				
Guo Xiaojun				M
Zhou Meiyun		M		M
Lei Dianwu				M
Mo Zhenglin				M

Zhang Yimin		C	C	
Liu Yunhong	M			
Du Weifeng	M	M	M	
Li Yuanqin	C			M

Notes:

C Chairman of the relevant Board committee

M Member of the relevant Board committee

Shanghai, the PRC, 2 August 2017

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**Exhibit 99.3**

**SINOPEC SHANGHAI PETROCHEMICAL COMPANY LIMITED**

**ARTICLES OF ASSOCIATION**



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**Amendment History**

As adopted and amended by special resolution of shareholders at the annual general meeting of the Company held on 15 June 1995 and approved by the State Commission for Restructuring the Economic Systems and Securities Commission of the State Council on 17 July 1995

As adopted and amended by special resolution of shareholders at the annual general meeting of the Company held on 15 June 1999 and approved by the State Economic & Trade Commission on 28 June 1999

As adopted and amended by special resolution of shareholders at the annual general meeting of the Company held on 15 June 2000 and approved by the State Economic & Trade Commission on 20 June 2000

As adopted and amended by special resolution of shareholders at the annual general meeting of the Company held on 18 June 2003 and approved by the State-owned Assets Supervision and Administration Commission of the State Council on 13 August 2003

As adopted and amended by special resolution of shareholders at the annual general meeting of the Company held on 18 June 2004 and approved by the State-owned Assets Supervision and Administration Commission of the State Council on 30 July 2004

As adopted and amended by special resolution of shareholders at the annual general meeting of the Company held on 28 June 2005 and approved by the State-owned Assets Supervision and Administration Commission of the State Council on 5 August 2005

As adopted and amended by special resolution of shareholders at the annual general meeting of the Company held on 15 June 2006 and approved by the State-owned Assets Supervision and Administration Commission of the State Council on 8 August 2006

As adopted and amended by special resolution of shareholders at the annual general meeting of the Company held on 19 June 2007

As adopted and amended by special resolution of shareholders at the annual general meeting of the Company held on 12 June 2008

As adopted and amended by special resolution of shareholders at the annual general meeting of the Company held on 18 June 2009

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As adopted and amended by special resolution of shareholders at the annual general meeting of the Company held on 23 June 2010 and approved by the State-owned Assets Supervision and Administration Commission of the State Council on 31 August 2010

As adopted and amended by special resolution of shareholders at the annual general meeting of the Company held on 27 June 2012

As adopted and amended by special resolution of shareholders at the Second Extraordinary General Meeting of the Company held on 11 December 2013 and approved by the State-owned Assets Supervision and Administration Commission of the State Council on 26 January 2014

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As adopted and amended by special resolution of shareholders at the annual general meeting of the Company held on 15 June 2016

As adopted and amended by special resolution of shareholders at the annual general meeting of the Company held on 15 June 2017

As adopted and amended by special resolution of shareholders at the First Extraordinary General Meeting of the Company held on 2 August 2017

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**ARTICLES OF ASSOCIATION**  
**OF**  
**SINOPEC SHANGHAI PETROCHEMICAL COMPANY LIMITED**  
**CHAPTER 1 GENERAL PROVISIONS**

**Article 1** These Articles of Association are formulated in accordance with The Company Law of the People's Republic of China (the Company Law), The Securities Law of the People's Republic of China (the Securities Law), The State Council Special Regulations Relating to Issue of Shares and Overseas Listing of Joint Stock Limited Companies (the Special Regulations), The Mandatory Provisions for Companies Listing Overseas (the Mandatory Provisions), the Listed Companies Articles of Association Guidelines, the Listed Companies Corporate Governance Principles and other relevant regulations, in order to protect the lawful rights and interests of Sinopec Shanghai Petrochemical Company Limited (the Company), its shareholders and creditors, and to regulate its organisation and behaviour.

The Company is a joint stock limited company established pursuant to the Company Law, the Special Regulations and other laws and regulations.

The establishment of the Company was approved by the State Commission for Restructuring the Economic System of the PRC pursuant to the document Ti Gai Sheng (1993) No. 95 by the promoter method. The Company was registered at the Shanghai Administration for Industry and Commerce and was issued an enterprise legal person business licence on 29 June 1993. The number of the enterprise legal person business licence is 310000000021453.

The promoter of the Company is Shanghai Petrochemical Complex.

**Article 2** The registered name of the Company is:

Chinese:

Abbreviation:

English: Sinopec Shanghai Petrochemical Company Limited

Abbreviation: SPC

**Article 3** The legal address of the Company is: 48 Jinyi Road, Jinshan District, Shanghai, People's Republic of China.

Postal code: 200540

Telephone number: (021) 5794 1941

Facsimile number: (021) 5794 2267

**Article 4** The legal representative of the Company is the chairman of the Company.

**Article 5** The Company is a permanently existing joint stock company. The capital of the Company is divided into equal shares. The rights and liabilities of shareholders of the Company are limited to the shares subscribed by them, and the Company is liable for its debts to the extent of its entire assets.

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The Company is an independent legal person, under the jurisdiction and protection of the laws and regulations of the People's Republic of China (hereinafter referred to as the PRC), and for the purpose of these Articles, excluding Hong Kong, Macau and Taiwan).

**Article 6** The Articles of Association were effective from the date of establishment of the Company. As from the effective date of the Articles of Association, these Articles constitute the rules governing the organisation and conduct of the Company and become a legally binding document regulating the rights and obligations between the Company and a shareholder and among the shareholders inter se.

**Article 7** The Articles of Association are binding on the Company, its shareholders and its directors, supervisors and senior officers. The aforementioned persons may raise any claims relating to the affairs of the Company in accordance with these Articles.

The Company may take action against its directors, supervisors and senior officers in accordance with the Articles. The Company may take action against its shareholders in accordance with these Articles. Shareholders may take action against each other in accordance with these Articles and a shareholder may take action against the Company and its directors, supervisors and senior officers in accordance with these Articles.

For the purposes of this Article, action includes court proceedings or application for arbitration proceedings.

Unless the context otherwise requires, the term senior officers referred to in these Articles and the appendices attached hereto means the general managers, deputy general managers, financial officers and the secretary to the board of directors of the Company.

**Article 8** The Company may invest in other limited liability companies or joint stock companies and is liable to the amount of the investment in these companies.

The Company may invest in any other enterprises; provided that, unless the law otherwise requires, the Company shall not act as an investor in any invested enterprise that assumes joint and several liability for the debts owed by such enterprise.

**Article 9** Subject to the provisions of PRC laws and administrative regulations, the Company has the power to raise or borrow money, including (without limitation) the power to issue corporate bonds and to mortgage or charge its assets.

**Article 10** The Company shall take steps to establish a healthy investor relations management system and also take an initiative to strengthen the communication and exchange with shareholders especially public shareholders in different ways. The secretary to the board of directors of the Company is responsible for the work of investor relations management.

**Article 11** In accordance with the Company Law and the Constitution of the Communist Party of China (the Party ), the Company hereby set up Party organizations. The Party organizations play the role of political core in the Company. The Company shall set up related Party working organs and maintain an adequate level of staffing to handle Party affairs as well as sufficient funding necessary for the activities of the Party organizations.

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**CHAPTER 2 PURPOSE AND BUSINESS SCOPE**

**Article 12** The purpose of the Company shall be to build and operate a diversified industrial company which will be one of the world's leading petrochemical companies; to promote the development of the petrochemical industry in the PRC through the production of a broad variety of outstanding products; to practise advanced scientific management and apply flexible business principle; and to develop overseas markets for the Company's product, so that the Company and all shareholders may receive reasonable economic benefits.

**Article 13** The Company's scope of business shall be based on the projects approved by the Company's registration authorities.

The Company's scope of business include: crude oil processing, oil products, petrochemical products, synthetic fibres and monomers, plastic and plastic products, raw materials and products for knitting, import and export of goods or technology, catalyst preparation and spent solvent reclamation, supply of electricity, heat energy, water and gas, water processing, loading and unloading on railways, river transport, terminals, storage, design, research and development,

Four Technologies services, property management, leasing of self-owned property, training of employee in the system, design, production of different types of advertisement, to conduct advertising by making use of the Company's own media platform (in case of franchise operation, to operate the same by virtue of the relevant licence), quality technology services.

**Article 14** The Company may establish subsidiaries and branches, representative offices, business offices and other non-independent legal person branches in accordance with its business development needs.

Subject to approval by the relevant governmental authorities, the Company may adjust the business and operation scope or investment directions and methods in accordance with PRC domestic and international market trends, the business requirements inside and outside of the PRC and the development capabilities of the Company.

**CHAPTER 3 SHARES AND REGISTERED CAPITAL**

**Article 15** The Company shall have ordinary shares at all times. The ordinary shares issued by the Company shall include domestic shares and foreign shares. The Company may issue other types of shares subject to the approval of the responsible company approval authority as authorized by the State Council and its own requirements.

**Article 16** All the shares issued by the Company shall have par value. The par value shall be one Renminbi each. Renminbi refers to the official currency of the PRC.

**Article 17** The stock of the Company takes the form of shares. Upon the approval of the securities regulatory authority of the State Council, the Company may issue shares to investors inside the PRC and investors outside the PRC. The issue of the Company's stock shall adhere to the principles of openness, fairness

and justice. Shares of the same class shall rank pari passu with each other. For the same class of shares offered at the same time, each share shall have the same offer terms and price. For the same class of shares subscribed by any organisation or individual under the same offering, the price payable for each of such share shall be the same.

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The aforementioned investors outside the PRC refer to investors in foreign countries, Hong Kong, Macau and Taiwan regions who subscribe for shares of the Company. Investors inside the PRC refer to investors in the PRC, excluding the aforementioned regions, who subscribe for shares of the Company.

**Article 18** Shares issued by the Company investors inside the PRC and subscribed for in Renminbi are referred to as domestic shares. Shares issued by the Company and subscribed for in foreign currency are referred to as foreign shares. Foreign shares listed overseas are referred to as overseas listed foreign shares. The holders of domestic shares and the holders of overseas listed foreign shares are both ordinary shareholders, and have the same rights and obligations.

The aforementioned foreign currency refers to the official currency of other countries or regions, other than Renminbi, as recognised by the responsible foreign exchange authority of the PRC which can be used for subscribing for shares.

**Article 19** The overseas listed foreign shares issued by the Company and listed in Hong Kong are referred to as H shares. H shares are shares which have been approved for listing by The Stock Exchange of Hong Kong Limited (the Hong Kong Stock Exchange), the par value of which is denominated in Renminbi and which are subscribed for and traded in Hong Kong dollars.

**Article 20** The domestic shares issued by the Company are held in custody by the China Securities Registration and Clearing Company Limited, Shanghai Branch. The H shares issued by the company are held in custody by Hong Kong Securities Clearing Company Limited.

**Article 21** Having been approved by the responsible company approval authority as authorized by the State Council upon the Company's establishment, the Company may issue a total of 7,200,000,000 ordinary shares, of which 4,000,000,000 shares have been issued to the promoter and have been subscribed by the promoter's assessed asset upon its establishment, representing 55.56% of the authorized ordinary share capital.

**Article 22** After the establishment of the Company, the Company has issued 2,330,000,000 ordinary shares which are overseas listed foreign shares, representing 32.36% of the authorized ordinary share capital. The Company has also issued 870,000,000 ordinary shares to the general public (including the employees of the Company) which are domestic shares representing 12.08% of the authorized ordinary share capital.

The shareholding structure of the Company after issue of the shares pursuant to the above paragraph is: 7,200,000,000 ordinary shares, of which 4,000,000,000 shares issued at the time of establishment of the Company, 870,000,000 domestic shares listed in the PRC and issued after the establishment of the Company, and 2,330,000,000 overseas listed foreign shares.

In 2013, the Company converted capital reserve to increase share capital of 3,600,000,000 shares. The shareholding structure of the Company after the above mentioned conversion is: 10,800,000,000 ordinary shares, of which 7,305,000,000 domestic shares listed in the PRC, representing 67.64% and 3,495,000,000 overseas listed foreign shares, representing 32.36%.

**Article 23** The plan as to the issue of domestic shares and overseas listed foreign shares as approved by the securities regulatory authority of the State Council shall be implemented and arranged by the directors of the Company.

The plan as to the issue of domestic shares and overseas listed foreign shares as mentioned above may be implemented within fifteen (15) months from the date of approval by the State Council securities regulatory authority.

**Article 24** In issuing the planned shares, the Company shall issue the domestic shares and the overseas listed foreign shares in single tranches respectively. Where there are special circumstances such that the shares cannot be issued in one tranche, the Company may issue the shares in several tranches, subject to the approval of the China Securities Regulatory Commission.

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**Article 25** The registered capital of the Company shall be RMB10,800,000,000.

**Article 26** As required by its operations and business development, the Company may increase its capital in accordance with the Articles of Association.

The Company may increase its capital by the following methods:

- (1) public share offering;
- (2) non-public share offering;
- (3) distribution of new shares to existing shareholders;
- (4) transfer of the capital reserve fund to increase capital;
- (5) any other means as permitted by law or administrative regulations and approved by the State Council securities regulatory authority.

In increasing its capital and issuing new shares, following the approval in accordance with the stipulations of the Articles, the Company shall comply with the procedures laid down in the laws, administrative regulations and listing rules and regulations of the PRC and the locale in which the foreign shares are listed overseas.

**Article 27** Except as prescribed by applicable laws and administrative regulations, the shares of the Company shall be freely transferable and shall also be free from all lien.

**CHAPTER 4 REDUCTION OF CAPITAL AND REPURCHASE OF SHARES**

**Article 28** The Company may reduce its registered capital in accordance with the Articles. The Company shall comply with the procedures laid down in the Company Law, other relevant regulations and the Articles in reducing its registered capital.

**Article 29** The Company shall prepare balance sheet and inventory of assets when it reduces its capital. The Company shall notify its creditors within ten (10) days after the resolution to reduce the capital is passed and shall publish a notice in newspapers designated by the relevant regulatory authorities located at the place where the shares of the Company are listed within thirty (30) days after the resolution is passed. The creditors shall have the right to demand for repayment of the debts or for a guarantee for repayment of the debts within thirty (30) days of receiving such notice (or, for creditors who do not receive the notice, within forty-five (45) days from the date on which the notice is published).

The share capital shall not be lower than the statutory minimum after the capital reduction.

If the Company reduces its registered capital, it shall amend its registration record filed with the registration authorities of the Company in accordance with the law.

**Article 30** Subject to the approval by the relevant authority, the Company may repurchase its shares in any of the following circumstances in accordance with the procedure provided in these Articles:

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- (1) cancellation of shares for reduction of capital;
- (2) merger with other companies which hold shares of the Company;
- (3) granting shares as incentive compensation to the staff of the Company;
- (4) acquiring the shares of shareholders who vote against any resolution adopted at the general meeting of shareholders on the merger or division of the Company;
- (5) other circumstances as permitted by law or administrative regulations.

The Company shall comply with Articles 31 to 34 in repurchasing its shares.

Except in the circumstances set forth above, the Company shall not engage in any activity in connection with trading its own shares.

**Article 31** Upon approval by the relevant authority, the Company may repurchase its shares by one of the following ways:

- (1) making a general offer to all the shareholders in proportion to their shareholding;
- (2) purchasing its shares in public on a stock exchange;
- (3) making an off-market contract;
- (4) other methods as stipulated by laws or administrative regulations and approved by the State Council securities regulatory authorities.

**Article 32** The Company may, with the prior sanction of shareholders obtained at the shareholders' general meeting in accordance with these Articles, repurchase its shares by an off-market contract in accordance with the relevant PRC and overseas regulations; the Company may release, vary or waive its rights under a contract so entered into by the Company with the prior approval of shareholders obtained in the same manner.

A contract to repurchase shares referred to in the above paragraph includes but is not limited to an agreement to become obliged to repurchase or an acquisition of the right to purchase shares of the Company.

Rights of the Company under a contract to repurchase its own shares are not capable of being assigned.

**Article 33** Unless otherwise required by laws, administrative regulations, rules and regulations of authorized departments or these Articles of Association, if the Company repurchases its own shares pursuant to items (1) to (3) of Article 30 of these Articles of Association, resolutions relating thereto shall be adopted at a general meeting of shareholders. If the Company repurchases its own shares in accordance with the preceding paragraph under the circumstances set forth in item (1) of Article 29, the shares so repurchased shall be cancelled within ten days from the repurchase date. In the event of the circumstances set forth in items (2) and (4) of Article 30, the shares so repurchased shall be transferred or cancelled within six months.

If the Company repurchases its own shares in accordance with item (3) of Article 30, the shares so repurchased shall not exceed 5% of the total number of shares issued by the Company. Funds used for any repurchase shall be paid out of the after tax profits of the Company. The repurchased shares shall be transferred to the employees within one year.



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If shares are required to be cancelled when they are repurchased in accordance with the law, the Company shall apply to the Company's original registration authorities to register the alteration of the registered capital of the Company. The share capital of the Company shall be reduced by the aggregate par value of the cancelled shares accordingly.

**Article 34** Unless the Company is in the course of liquidation, the Company shall comply with the following provisions in repurchasing its shares:

- (1) where the Company repurchases its shares at face value, payment shall be made out of distributable profits of the Company or out of proceeds of a fresh issue of shares made for that purpose;
- (2) where the Company repurchases its shares at a premium, payment up to the face value may be made out of distributable profits of the Company or out of proceeds of a fresh issue of shares made for that purpose. Payment of the portion in excess of the face value shall be effected as follows:
  - (i) if the shares being repurchased were issued at face value, payment shall be made out of distributable profits of the Company;
  - (ii) if the shares being repurchased were issued at a premium, payment shall be made out of distributable profits of the Company or out of proceeds of a fresh issue of shares made for that purpose, provided that the amount paid out of proceeds of the fresh issue shall not exceed the aggregate of premiums received by the Company on the issue of the shares repurchased nor the current amount of the Company's capital reserve fund (including the premiums on the fresh issue);
- (3) payment by the Company in consideration for the following shall be made out of distributable profits
  - (i) the acquisition of rights to repurchase shares of the Company;
  - (ii) the variation of any contract to repurchase shares of the Company;
  - (iii) the release of the Company's obligations under any contract to repurchase shares of the Company;

(4)

to the extent that shares are repurchased out of distributable profits of the Company, the amount of the Company's registered share capital reduced shall be transferred to the Company's capital reserve fund.

#### **CHAPTER 5 FINANCIAL ASSISTANCE FOR ACQUISITION OF SHARES**

**Article 35** The Company or any of its subsidiaries shall not at any time give any form of Financial Assistance to a person who is acquiring or is proposing to acquire shares in the Company. The person referred to in this paragraph includes any person who directly or indirectly incurs a liability for the purpose of acquiring the Company's shares.

Neither the Company nor any of its subsidiaries shall give any form of Financial Assistance to the person for the purpose of lessening or discharging the liability.

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This Article shall not apply to the circumstance under Article 37.

**Article 36** For the purposes of this Chapter, Financial Assistance includes (but not limited to) the following forms:

- (1) financial assistance given by way of gift;
- (2) financial assistance given by way of guarantee (including the provision of an undertaking or assets to secure performance of the obligations by the obligor) or indemnity, other than an indemnity in respect of the Company's own neglect or default, or by way of release or waiver;
- (3) financial assistance given by way of a loan or any other agreement under which the obligations of the Company are to be fulfilled before the obligations of another party to the agreement, or by way of the novation of, or the assignment of rights arising under, a loan or such other agreement; or
- (4) any other financial assistance given by the Company when the Company is insolvent or has not net assets or when its net assets would thereby reduce to a material extent.

For the purposes of this Chapter, incurring a liability includes changing one's financial position by making an agreement or arrangement (whether enforceable or unenforceable, and whether made on his own account or with any other person) or by any other means.

**Article 37** This following transactions are not considered prohibited under Article 35:

- (1) the provision of Financial Assistance where the Financial Assistance is given in good faith in the interests of the company and the Company's principal purpose in giving that assistance is not to give it for the purpose of any such acquisition, or the giving of the assistance is but an incidental part of some larger purpose of the Company;
- (2) a distribution of the Company's assets by way of dividend lawfully declared;
- (3) the allotment of bonus shares;
- (4) a reduction of share capital, a repurchase of shares of the Company, a reorganisation of the share capital or other restructuring of the Company effected in compliance with these Articles;

- (5) the lending of money by the Company in the ordinary course of its business, where the lending of money is part of the scope of business of the Company (only if the Company has net assets which are not thereby reduced or, to the extent that those assets are thereby reduced, if the assistance is provided out of distributable profits);
  
- (6) the provision of money by the Company for contributions to employees' share schemes (only if the Company has net assets which are not thereby reduced or, to the extent that those assets are thereby reduced, if the assistance is provided out of distributable profits).

**CHAPTER 6 SHARE CERTIFICATES AND SHAREHOLDERS' REGISTER**

**Article 38** The share certificates of the Company shall be in registered form.

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The share certificates of the Company shall contain the following particulars:

- (1) the Company name;
- (2) the date on which the Company was registered as established;
- (3) the type of shares, the value of the shares and the number of shares represented by the certificate;
- (4) the serial number of the share certificate;
- (5) other information as required by the Company Law, the Special Regulations and the stock exchange where the relevant shares are listed.

**Article 39** The Company shall have a securities seal in Hong Kong for the purpose of authenticating the issue of H share certificates.

The Company's shares may be transferred, gifted, inherited or pledged in accordance with the stipulations of relevant laws, administrative regulations, rules and regulations of authorized departments and these Articles. The transfer and assignment of shares must be registered with the share registration organ authorized by the Company.

**Article 40** The Company does not recognise the use of its shares as the subject of a mortgage.

**Article 41** During their terms of office, directors, supervisors and other senior officers of the Company shall periodically report to the Company their shareholdings in the Company and changes therein and shall not transfer more than 25% of such shareholdings per year during their terms of office. The aforesaid persons shall not transfer the shares in the Company held by them within six months from the date on which their resignation from the Company comes into effect.

**Article 42** Unless otherwise required by laws, administrative regulations, regulatory authorities or stock exchanges at which the shares of the Company are listed, any gains from any sale of shares of the Company by any director, supervisor, senior officer or shareholder of the Company holding 5% or more of the shares of the Company within six months after their purchase of the same, and any gains from any purchase of shares of the Company by any of the aforesaid parties within six months after sale of the same shall be disgorged and paid to the Company, and the board of directors of the Company shall recover such gains from the abovementioned parties. Notwithstanding so, this six-month limitation shall not apply to any securities company holding 5% or more of the shares of the Company which purchasing of the shareholding is as a result of its underwriting obligation.

This Article shall apply to legal person shareholders holding 5% or more of the stock of the Company with voting power and Senior Management as stipulated in these Articles, including but not limited to directors, supervisors and general manager.

If the board of directors of the Company fails to comply with the requirements in accordance with the preceding paragraph, a shareholder shall have the right to request the board of directors to effect the same within thirty days. If the board of directors fails to do so within the said time limit, a shareholder shall have the right to initiate proceedings in the People's Court directly in his own name for the interests of the Company.

If the board of directors of the Company fails to comply with the requirements in accordance with the first paragraph, the responsible director or directors shall assume joint and several liability in accordance with the law.

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**Article 43** The Company's share certificates shall be signed by the chairman of the board of directors. If the stock exchange where the shares are listed requires other senior officer's signature, such signature shall be included. The share certificates shall be effective with affixure of the Company's seal (or a securities seal) or a facsimile seal (or a securities seal). Authorization from the board of directors is required for affixing the Company seal to share certificates. Signature of the chairman or other senior officer may be made by facsimile signatures.

The issuance and trading of uncertificated shares are subject to the requirements otherwise prescribed by the securities regulatory bodies located at the places where the shares of the Company are listed..

**Article 44** The Company shall maintain a register of holders of shares and enter therein the following particulars:

- (1) names, addresses, occupations or descriptions;
- (2) the number of each class of shares held;
- (3) the amount paid or agreed to be paid on the shares of shares held;
- (4) the serial number of the shares held;
- (5) the date at which each holder was entered in the register as a shareholder;
- (6) the date at which each holder ceases to be a shareholder.

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

**Article 45** The Company may maintain the register of holders of overseas listed foreign shares outside the PRC in accordance with the memorandum of understanding and agreement made between the responsible securities authority of the State Council and the securities regulatory authority overseas and appoint an overseas agency for the management of such register. The original of the register of holders of overseas listed foreign shares shall be maintained in Hong Kong.

The overseas agency so appointed shall ensure from time to time the consistency between the original and the copy of the register of holders of overseas listed foreign shares.

In the event of inconsistency between the original and the copy of the register of holders of overseas listed foreign shares, the original version shall prevail.

**Article 46** The Company shall maintain a complete register of shareholders. The register of shareholders shall include the following parts:

- (1) the register of shareholders maintained at the legal address of the Company other than that specified in paragraphs (2) and (3) of this Article;
- (2) the Company's register of holders of overseas listed foreign shares maintained at the place where the stock exchange having the shares listed is located;
- (3) the register of shareholders deposited at other places decided by the board of directors as necessary for the listing of the Company's shares.

**Article 47** The various parts of the register of shareholders shall not overlap. The transfer of shares registered in a certain part of the shareholders' register shall not be registered in other parts of the shareholders' register during the existence of the registration of such shares.



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All fully paid foreign shares listed in Hong Kong may be transferred freely in accordance with these Articles provided that the board of directors may without assigning any reason therefor decline to recognise any instrument of transfer, unless:

- (1) A fee in the sum of two Hong Kong dollars and fifty cents (2.5) or such higher sum then agreed by the Hong Kong Stock Exchange is paid to the Company in respect of the registration of any transfer in the title of the shares to which it relates or for the alteration in the title of such shares or other documents;
- (2) the instrument of transfer is only in respect of foreign shares listed in Hong Kong;
- (3) the stamp duty payable in respect of such instrument of transfer has been paid;
- (4) share certificates or other evidence as the board of directors may reasonably require to prove the right of the transferor to make the transfer shall be provided;
- (5) if the shares are proposed to be transferred with joint holders, the number of joint holders shall not be more than four (4); and
- (6) the relevant shares are free from any lien by any company.

The transfer of overseas-listed foreign shares listed in Hong Kong shall be carried out in writing through transfer instrument in normal or ordinary form or in the form acceptable to the board of directors; and such transfer instrument can be signed by hand or, if the transferor or transferee is a recognised clearing house as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or its attorney, signed by hand or signed in printed mechanical form. All the transfer instruments shall be maintained at the legal address of the Company or another place the board of directors may designate from time to time.

Any change or alteration to the various parts of the register of shareholders shall be conducted in accordance with the laws of the place where such part of the shareholders' register is maintained.

**Article 48** No registration of any change in the register of shareholders arising from a transfer of shares shall be effected thirty (30) days before the holding of a shareholders' general meeting or within five (5) days before the decision is made on the distribution of dividends by the Company. The changes of the register of A shareholders are more applicable to the laws and regulations in PRC.

**Article 49** The board of directors or the convenor of a shareholders' general meeting shall fix a date as the date for the determination of shareholders for the purposes of holding shareholders' general meetings, distribution of dividends, liquidation and for other activities requiring determination of shareholders.

Shareholders whose names are registered in the register of shareholders at the close of business on the date of determination shall be the shareholders of the Company.

**Article 50** Any person objecting to the register of shareholders and requesting to have its name registered or removed from the register of shareholders may apply to a court with jurisdiction to have the register of shareholders amended.

**Article 51** Any person who is registered holder of shares in the Company or who claims to be entitled to have his name entered in the register of shareholders in respect of shares in the Company may, if it appears that the certificate (the original certificate ) relating to the shares is lost, apply to the Company for a new certificate in respect of such shares (the relevant shares ).

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Holders of domestic shares whose share certificates have been lost may apply for issue of new share certificates in accordance with the procedure set out in article 144 of the Company Law.

Holders of overseas listed foreign shares whose share certificates have been lost may apply for issue of new share certificates in accordance with the procedures laid down by the law, the rules of the stock exchange and other relevant regulations of the place where the original register of holders of overseas listed shares is located.

The issue of new share certificates to H shareholders whose share certificates have been lost shall meet the following requirements:

- (1) the applicant shall submit an application to the Company in prescribed form accompanied by a notarial act or a statutory declaration made by the applicant stating the grounds upon which the application is made, the circumstances of the loss, and such other particulars as the case may require in order to verify the grounds upon which the application is made and that no other person is entitled to have his name entered in the register of shareholders in respect of the relevant shares;
- (2) prior to the Company deciding to issue new share certificates, the Company not having received any statutory declaration from any person other than the applicant requesting for his name to be entered into the shareholders register;
- (3) the Company shall, if it intends to issue a new share certificate, publish a notice of its intention once every thirty (30) days in a period of ninety (90) consecutive days in such newspaper as may be prescribed by the board for this purpose from time to time;
- (4) the Company shall, prior to publication of the notice for issue of new share certificates, deliver to the stock exchange on which the relevant shares are listed a copy of the notice to be published and received confirmation from such stock exchange that the notice has been exhibited on its premises. The period of exhibition of the notice at the relevant stock exchange shall be ninety (90) days.

In the case of an application made without the consent of the registered holder of the relevant shares, a copy of the notice to be published shall be delivered to such registered holder;

- (5) if, by the expiration of the 90-day period referred to in sub-paragraphs (3) and (4), the Company shall not have received notice of any other claim in respect of the relevant shares, the Company may issue a new certificate for the relevant shares to the applicant or as he may direct;
- (6) where the Company issues a new certificate under this Article, it shall forthwith cancel the original certificate and enter the cancellation and issue in the register of shareholders accordingly;

- (7) all expenses relating to an application for the cancellation of an original certificate and the issuance of a new certificate by the Company shall be borne by the applicant and the Company may refuse to take any action until reasonable security is provided.

**Article 52** Where the Company issues a new certificate in compliance with these Articles, the name of a bona fide purchaser to whom the new certificate is issued or who is subsequently entered in the share register shall not be removed from the register.

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**Article 53** The Company shall not be liable for any damages sustained by any person by reason of the cancellation of the original certificate or the issuance of the new certificate, unless the claimant proves that the Company had acted deceitfully.

**CHAPTER 7 RIGHTS AND OBLIGATIONS OF SHAREHOLDERS**

**Article 54** Shareholders of the Company are persons who legally hold the shares of the Company and have their names registered on the shareholders register.

A shareholder has rights and bears obligations in accordance with his shareholding and class of shares held by him. Shareholders of the same class have the same rights and obligations.

In the case of joint shareholders, if one of the joint shareholders has passed away, the surviving shareholder shall be deemed by the Company to have the ownership of the related shares, but the board of directors is entitled to ask for the provision of the suitable death certificate for the purpose of amendment of the register of shareholders. For joint shareholders of any shares, only the first-named shareholder in the register of shareholders has the right to receive the share certificates of the related shares, receive notices from the Company, attend shareholders general meetings and exercise his voting rights; and any noticed delivered to the said shareholder shall be deemed as if notice has been delivered to all of the joint shareholders of the related shares.

**Article 55** Holders of ordinary shares shall have the following rights:

- (1) to receive dividends or other forms of distribution proportional to their shareholding;
- (2) to request, call on, preside and attend general meetings of shareholders in person or by proxy in accordance with the law and to exercise their corresponding voting rights;
- (3) to supervise the business operations and activities of the Company and to make suggestions or raise questions;
- (4) to transfer, gift or pledge shares in accordance with law, administrative regulations and these Articles;
- (5) upon providing with evidence of the class and number of shares of the Company held, and following confirmation of the shareholder's identity by the Company, to receive information in accordance with laws, administrative regulations and these Articles, including:
  1. to obtain a copy of the Articles of Association after payment of charges at cost;

2. to inspect and copy for reasonable charges:
  - (i) all parts of the shareholders register;
  - (ii) particulars of the directors, supervisors and senior officers of the Company including:
    - (a) present and past names and aliases;
    - (b) nationality;

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- (c) primary and all other business occupations;
  - (d) identity document and its number;
  - (iii) the share capital of the Company;
  - (iv) stubs of company bonds;
  - (v) reports showing the number and par value of shares repurchased by the Company since the end of the last financial year, the aggregate amount paid by the Company for the shares and the maximum and minimum price paid in respect of each class of shares repurchased;
  - (vi) minutes of shareholders meetings, resolutions of the board of directors and resolutions of the supervisory committee and financial and accounting reports;
- (6) to receive the distribution of residual assets of the Company in proportion to their shareholding upon winding up or liquidation of the Company;
- (7) to request the Company to acquire their shares if the shareholders disapprove any resolution passed at the shareholders general meeting on the merger or demerger of the Company;
- (8) where resolutions of the shareholders general meeting or the board of directors violate the provisions of laws or administrative regulations, and infringe the lawful rights and interests of shareholders, to have the right to bring an action to request the ceasing of the abovementioned violation or infringement and the right to request the Company to take action seeking compensation;
- (9) to have other rights granted by law, administrative regulations and the Articles of Association.

**Article 56** Holders of the ordinary shares shall assume the following obligations:

- (1) to comply with the Company Articles;
- (2) to pay subscription monies in respect of the shares they have subscribed for and in accordance with the agreed manner of payment;

- (3) not to return shares other than in such circumstances stipulated by law and administrative regulation;
- (4) not to abuse their shareholders' rights to harm the interest of the Company or other shareholders, and not to abuse the independent legal person status of the Company and the limited liability of shareholders to harm the interest of any creditor of the Company. If a shareholder of the Company abuses its shareholder's rights and thereby causes loss on the Company or other shareholders, such shareholder shall be liable for damages in accordance with the law. If a shareholder of the Company abuses the Company's independent legal person status and the limited liability of shareholders for the purposes of avoiding debts, resulting in materially impairing the interests of the creditors of the Company, such shareholder shall be jointly and severally liable for the debts owed by the Company.
- (5) to assume other obligations as imposed by law, administrative regulations and the Company Articles.



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Except as agreed at the time of subscription of shares, shareholders shall not be liable to make any further contribution to the share capital.

**Article 57** The Controlling Shareholders and the de facto controllers of the Company shall not take the advantage of its connected relationship to impair the Company's interest. Any of the above shareholders or persons who violates such provisions and causes losses to the Company shall be liable for damages. The Controlling Shareholders and beneficial controllers of the Company have fiduciary duties toward the Company, its public shareholders and other shareholders. A Controlling Shareholder shall exercise its rights as shareholder strictly in compliance with the law. A Controlling Shareholder shall not jeopardize the lawful interests of the Company, public shareholders and other shareholders by way of connected transactions, profit allocation, asset reorganization, external investments, fund misappropriation and provision of guarantee for loans, nor shall it jeopardize the interests of the Company, public shareholders and other shareholders by utilizing its controlling position.

In addition to obligations imposed by laws, administrative regulations or required by rules of the stock exchanges on which the shares of the Company are listed, a Controlling Shareholder shall not exercise his voting rights in respect of the following matters in a manner prejudicial to the interests of the shareholders generally or of some of the shareholders of the Company:

- (1) to relieve a director or a supervisor of his duty to act honestly in the best interests of the Company;
- (2) to approve the expropriation by a director or supervisor (for his own benefit or for the benefit of another person) in any guise of the Company's assets, including without limitation any opportunities which are favourable to the Company;
- (3) to approve the expropriation by a director or supervisor (for his own benefit or for the benefit of another person) of the individual rights of other shareholders, including without limitation rights to distribution and voting rights save and except pursuant to restructuring submitted to shareholders for approval in accordance with these Articles.

**Article 58** For the purpose of these Articles, a Controlling Shareholder refers to a person who satisfies one of the following conditions:

- (1) he alone or acting in concert with others has the power to elect half or more than half of the members of the board;
- (2) he alone or acting in concert with others has the power to exercise or to control the exercise of thirty per cent. (30%) or more of the voting rights in the Company;

(3) he alone or acting in concert with others holds thirty per cent. (30%) or more of the issued and outstanding shares of the Company;

(4) he alone or acting in concert with others in any other manner de facto controls the Company.

For the purposes of these Articles, the term de facto controllers means the persons, not being shareholders of the Company, who are able to exercise de facto control over the acts of the Company through an investment relationship, agreement or other arrangement.

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For the purposes of these Articles, the term “connected relationship” means the relationship between the controlling shareholder, de facto controllers, directors, supervisors and senior officers of the Company and any enterprise directly or indirectly under his or her control, and any other relationship that may result in the transfer of the Company’s interests. However, enterprises in which the State has a controlling interest shall not be treated as having a connected relationship merely due to the controlling interest held by the State.

For the purposes of this Article, “acting in concert” means two or more persons who have reached agreement (whether orally or in writing) to achieve or consolidate control of the Company through the acquisition by any of them of voting rights in the Company.

## **CHAPTER 8 SHAREHOLDERS GENERAL MEETINGS**

**Article 59** The shareholders’ general meeting is the Company’s authoritative organisation which exercises its powers in accordance with law.

The Company shall formulate the Rules of Procedure for the Shareholders’ General Meetings and shall implement the same upon approval at a shareholders’ general meeting. The Rules of Procedure for the Shareholders’ General Meetings shall include the following;

- (1) functions and powers of the shareholders’ general meeting;
- (2) delegation of powers to the board of directors by the shareholders’ general meeting;
- (3) the procedures to convene a shareholders’ general meeting, including the proposal and collection of motions, notice and change of the notice of the meeting, registration of the meeting, convening the meeting, voting and resolutions, adjournment of the meeting, post-meeting matters and public announcement etc.;
- (4) any other issues which the shareholders’ general meeting considers necessary.

The Rules of Procedure for the Shareholders’ General Meetings shall form an integral part of, and shall have the same legal effect as, these Articles. The Rules of Procedure for the Shareholders’ General Meetings shall be drafted by the board of directors and approved at a shareholders’ general meeting.

**Article 60** The shareholders’ meetings exercise the following powers:

- (1) to decide on the Company’s operational policies and investment plans;
- (2) to elect and replace directors and decide on matters relating to the remuneration of directors;

- (3) to elect and replace the supervisors who are not employee representatives and decide on matters relating to the remuneration of supervisors;
- (4) to examine and approve reports of the board of directors;
- (5) to examine and approve reports of the supervisory committee;
- (6) to examine and approve the Company's proposed annual financial budgets and final accounts;
- (7) to examine and approve the Company's profit distribution plans and plans for making up of losses;

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- (8) to decide on increases in or reductions of the Company's registered capital;
- (9) to decided on issues such as merger, division, dissolution, liquidation or changing of the form of the Company and other matters;
- (10) to decide on the issue of bonds by the Company;
- (11) to decide on the appointment, dismissal or termination of appointment of auditors;
- (12) to amend the Articles of Association;
- (13) to review any requisition by the board of directors, supervisory committee or shareholders holding shares with 3% or more of the total voting rights of the Company;
- (14) to examine and approve matters relating to guarantees stipulated in Article 61 of the Articles of Association;
- (15) to consider the Company's significant acquisition or disposal of material assets conducted within the period of one year with a value exceeding 30% of the latest audited total assets of the Company;
- (16) to examine and approve changes in the use of proceeds;
- (17) to examine and approve share incentive schemes;
- (18) to authorize and entrust the board of directors to handle any matters authorized and entrusted thereto;
- (19) to resolve other matters of the Company as required to be resolved in shareholders' general meetings in accordance with laws, administrative regulations, rules and regulations of authorized departments, these Articles and the Rules of Procedures for Shareholders' General Meetings.

Where matters are required to be resolved in shareholders' meetings in accordance with laws, administrative regulations, rules and regulations of authorized departments, these Articles and the Rules of Procedures for Shareholders' General Meetings, the board of directors should convene a shareholders' meeting to review such matters in order to protect shareholders' rights of decision-making. Except to the extent that the functions and powers of a shareholders' meeting are prohibited to be exercised on its behalf by the board of directors or other authorities and individuals by way of authorization as provided for in the laws, administrative regulations, rules and regulations of

authorized departments, if the circumstances reasonably require, where it is not possible or not necessary for specific matters related to the resolutions to be by the shareholders meeting, the shareholders meeting may authorize the board of directors to make decisions within the scope of the authority entrusted by the shareholders meeting.

Where the resolution in relation to which the shareholders meeting authorizes the board of directors is an ordinary resolution, then a majority of the shareholders attending the meeting (in person or by proxy) must approve the authorization. If it is a special resolution, then two-thirds or more of the shareholders attending the meeting (in person or by proxy) must approve the authorization. The content of the authorization must be clear and specific.

**Article 61** The following matters relating to guarantees provided by the Company to a third party shall be subject to the approval by shareholders at general meetings:

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- (1) any subsequent guarantee to be provided by the Company in favour of a third party when the aggregate amount of guarantees of the Company and its holding subsidiaries given in favour of third parties has already exceeded 50% of the Company's most recently audited net asset value;
- (2) any subsequent guarantee to be provided by the Company in favour of a third party, when the aggregate amount of guarantees of the Company given in favour of third parties has reached or has already exceeded 30% of the Company's most recently audited total asset value;
- (3) any guarantee to be provided by the Company in favour of an entity which is subject to a gearing ratio of over 70%;
- (4) any single guarantee to be provided by the Company exceeding 10% of the Company's most recently audited net asset value;
- (5) any guarantee to be provided in favour of any shareholder, de facto controllers and their connected parties.

**Article 62** Unless prior approval by special resolution of the shareholders' meeting is obtained, the Company shall not enter into any contract with any person other than a director, supervisor or the senior officer of the Company to entrust the management of all or a material part of the businesses of the Company to such person.

**Article 63** General meetings of shareholders shall be divided into annual general meetings and extraordinary general meetings, and shall be convened by board of directors. An annual general meeting must be convened once each year, and held within six months after the end of each financial year.

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

- (1) the number of the directors is less than the number required by the Company Law or less than two-thirds required by these Articles;
- (2) the unrecovered losses of the Company's capital reach one-third of the Company's paid-up share capital;
- (3) upon written requisition by the shareholders individually or jointly holding ten per cent. (10%) or more of the issued and outstanding voting shares of the Company;

(4) when deemed necessary by the board of directors or proposed by the supervisors;

(5) in other circumstance as required by the laws, administrative regulations, departmental rules or these Articles.

In paragraph (3) above, shareholdings will be calculated as of the day upon which the written requisition is made.

**Article 64** Any requisition by the supervisory committee or by shareholders alone or together holding ten per cent (10%) or more of the total voting rights of the Company to convene an extraordinary general meeting or a class meeting shall be dealt with the Rules and Procedures of Shareholder Meetings .

**Article 65** When the Company convenes a shareholders general meeting, the board of directors, supervisory committee and shareholders who individually or jointly hold shares with three per cent. (3%) or more of the total voting rights of the Company shall have the right to move motions in writing for shareholders meetings.



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Shareholders who individually or jointly hold three per cent. (3%) or more of the shares of the Company may propose and submit in writing an extraordinary motion to the convener ten (10) days prior to the convening of the shareholders general meeting. The convener shall issue a supplementary notice of the shareholders general meeting within two (2) days upon receipt of such motion and shall make an announcement on the content of the extraordinary motion.

Except for those provided for in the preceding paragraph, the convener shall neither amend the motion specified in the notice of the shareholders general meeting nor add any new motion after the issuance of the notice of the shareholders general meeting.

Motions for shareholders meetings shall comply with the following conditions:

- (1) the contents do not conflict with laws, regulations and the Articles, and is within the business scope of the Company and the powers of the shareholders meeting;
- (2) there is a clear subject and specific resolution;
- (3) it is submitted or delivered in writing to the board of directors.

Motions which are not specified in the notice of the shareholders general meeting or do not comply with the requirements set forth in the preceding paragraphs shall not be voted or resolved at a shareholders general meetings.

**Article 66** The board of directors should be guided by the best interests of the Company in reviewing motions raised in accordance with the previous Article.

**Article 67** Notice of shareholders meeting shall be given to the shareholders forty-five (45) days (excluding the date of the meeting) before the date of the meeting in writing. The agenda, date and place of the meeting shall be notified to the shareholders whose names are on the register. The shareholders who wish to attend the meeting shall send their reply regarding the proposed attendance in writing to the Company twenty (20) days before the date of the meeting.

**Article 68** The location for holding a general meeting of the Company shall be in Shanghai, Shenzhen or Hong Kong and the exact location shall be specified in the notice of general meeting.

The Company shall, on the premise of ensuring the lawfulness and validity of the general meeting, expand the proportion of social public shareholders participating in the general meeting, through various methods or channels including the provision of up-to-date information technology measures such as online voting platforms.

The same voting right shall only select any one of the voting methods, namely voting on-site, voting online or other voting methods. Only the first voting result is viewed as valid for any multiple voting of the same voting right.

Shareholders or their proxies who vote online or in other methods are entitled to check their own voting results through the relevant voting system.

**Article 69** The Company shall calculate the number of shares carrying voting rights of the shareholders who have replied to attend the shareholders meeting twenty (20) days before the meeting. The Company shall convene the general meeting if the number of the shares carrying voting rights of the shareholders who propose to attend is more than half of the total number of shares carrying voting rights of the Company. If the requirement is not met, the Company shall publish an announcement containing the proposed agenda, date and place of the meeting within five (5) days to re-notify the shareholders of the meeting. The Company can convene the shareholders meeting after having published the announcement.

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An extraordinary general meeting shall not resolve on matters which are not contained in the notice of meeting.

**Article 70** A notice of shareholders meeting shall:

- (1) be in writing;
- (2) specify the place, date and time of the meeting;
- (3) state the general nature of business to be transacted at the meeting;
- (4) provide such information and explanation as are necessary for the shareholders to exercise an informed judgment on the proposals put before them. Without limiting the generality of the foregoing, where a proposal is made to amalgamate the Company with another, to repurchase the shares of the Company, to reorganise the share capital structure of the Company or other restructuring, the terms of the proposed transaction shall be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such proposal shall be properly explained;
- (5) if matters relating to election of directors and supervisors are proposed to be discussed at a general meeting of shareholders, detailed information concerning the candidates shall be fully disclosed in the notice of the general meeting, which shall at least include the following:
  - (i) personal information relating to the candidates including educational background, work experience and all other positions undertaken on a part-time basis;
  - (ii) whether the candidates are connected with the Company, its controlling shareholders or de facto controllers;
  - (iii) disclosing the candidates' shareholdings in the Company;
  - (iv) whether the candidates have been subject to any punishment by the China Securities Regulatory Commission or other relevant department or to any sanction by any stock exchange.
- (6) contain a disclosure of the nature and extent, if any, of material interests of any director, supervisor and the senior officer of the Company in the business to be transacted and the effect of

the business to be transacted on them in their capacity as shareholders so far as it is different from the effect on the interest of shareholders of the same class;

- (7) contain the text of any special resolution proposed to be resolved at the meeting;
- (8) contain conspicuously a statement that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote for and on behalf of him and that a proxy need not also be a shareholder;

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- (9) state the record date for shareholders entitled to attend the meeting;
- (10) state the time and place for delivery of proxy forms for use at the meeting;
- (11) state the name and telephone number of the contact person for the meeting.

**Article 71** Notice of the meeting shall be served by delivery or sent by prepaid airmail to the shareholders (whether or not entitled to vote thereat) at the addresses as registered on the shareholder register (whether that address is in the PRC or overseas). In the case of domestic shareholders, the notice may also be given by announcement.

An announcement as aforementioned refers to the announcement made in one or more newspapers specified by the relevant securities authority of the State Council within forty-five (45) days to fifty (50) days before the date of when the general meeting is to be held. Such publication shall be deemed receipt of the notice of the meeting by each holder of the domestic shares. In any event, the aforementioned announcement must at the same time be published in one or more newspapers specified by the relevant securities authority in Hong Kong.

**Article 72** The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

**Article 73** If a meeting convener has issued a notice for convening a shareholders meeting, the meeting may not be postponed or cancelled without cause and the motions specified in the notice of the shareholders general meeting shall not be cancelled. In the event of any delay or cancellation of the shareholders general meeting, the meeting convener shall issue an announcement and explain the reasons for such delay or cancellation at least two (2) working days prior to the date on which the shareholders general meeting has been scheduled to convene.

**Article 74** The board of directors of the Company together with other convenors shall adopt necessary measures to maintain the normal order of the general meeting of shareholders. Measures shall be taken to stop any act which interferes with or causes nuisance at a general meeting and any act which infringes the lawful interests of the shareholders. Timely report of these acts shall be made to the relevant authority for investigation.

**Article 75** All shareholders who are listed on the Company's register as of the record date or their proxies shall be entitled to attend the shareholders general meeting and exercise their voting rights in accordance with the relevant laws and regulations and these Articles.

Any shareholder entitled to attend and vote at a meeting of the Company may attend the meeting in person or appoint one or more than one person (whether a shareholder or not) as his proxy/proxies to attend and vote for and on behalf of him, and the proxy so appointed:

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

Where a shareholder is a recognised clearing house as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the shareholder may authorize one or more suitable person to act as its representative at any shareholders meeting or at any class meeting; however, if more than one person is authorized, the power of attorney shall clearly indicate the number and type of shares related to such authorization. The persons who have received such authorization may exercise the rights on behalf of the recognised clearing house (or its proxy), as if such persons were individual shareholders of the Company.

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**Article 76** A shareholder may appoint a proxy to attend a shareholders meeting by an instrument in writing. The proxy instrument shall set out the number of shares represented by the proxy. If more than one person is appointed as a proxy, the proxy instrument shall clearly set out the number of shares represented by each such person. The instrument of proxy shall be signed by the shareholder appointing the proxy or by a person duly authorized in writing to appoint such proxy. If the appointer is a legal person, the common seal of the legal person shall be affixed, or the signature of its directors or the person duly authorized to appoint such proxy.

**Article 77** The proxy instrument issued by a shareholder authorizing a proxy to attend a shareholders meeting shall set out the following information:

- (1) the name of the proxy;
- (2) the number of shares represented by the proxy;
- (3) whether or not the proxy shall exercise voting rights;
- (4) indicate in relation to each motion on the agenda of the shareholders meeting directions to vote for or against;
- (5) date, and period of validity;
- (6) the signature (or seal) of the appointer or by the person duly authorized in writing to appoint such proxy; where the appointer is a legal person shareholder, the seal of the legal person entity or the signature of the director or the person duly authorized shall be affixed.

If the shareholder does not make any specific direction, the proxy instrument must clearly indicate that the proxy may vote as it sees fit.