

SINOPEC SHANGHAI PETROCHEMICAL CO LTD

Form 6-K

February 27, 2014

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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 February 2014

Commission File Number: 1-12158

Sinopec Shanghai Petrochemical Company Limited

(Translation of registrant's name into English)

Jinshanwei, Shanghai

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):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- Not Applicable

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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: February 27, 2014

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

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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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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.

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).

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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.

CHAPTER 2 PURPOSE AND BUSINESS SCOPE

Article 11 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 12 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, 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.

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Article 13 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 14 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 15 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 16 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.

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 17 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 18 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 19 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.

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Article 20 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 21 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 22 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 23 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.

Article 24 The registered capital of the Company shall be RMB10,800,000,000.

Article 25 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.

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Article 26 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 27 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 28 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 29 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:

- (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 30 to 33 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 30 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 31

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.

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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 32 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 29 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 29, 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 29, 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.

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 33 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.

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CHAPTER 5 FINANCIAL ASSISTANCE FOR ACQUISITION OF SHARES

Article 34 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.

This Article shall not apply to the circumstance under Article 36.

Article 35 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 36 This following transactions are not considered prohibited under Article 34:

- (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);

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

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 38 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 39 The Company does not recognise the use of its shares as the subject of a mortgage.

Article 40 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 41 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.

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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.

Article 42 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 facsimile 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.

Article 43 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 44 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 Company shall maintain a copy of the register of holders of overseas listed foreign shares at the legal address of the Company. 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 45 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.

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Article 46 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.

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 be no 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 cleaning 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 47 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 48 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 49 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 50 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).

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.

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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 51 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.

Article 52 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.

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CHAPTER 7 RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Article 53 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 notice 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 54 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) principal residential address;
 - (c) nationality;
 - (d) primary and all other business occupations;
 - (e) 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;

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- (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 55

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.

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 56

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.

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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 57 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.

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 58 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;

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- (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 59 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;
- (8) to decide on increases in or reductions of the Company's registered capital;
- (9) to decide 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 60 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

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departments, these Articles and the Rules of Procedures for Shareholders General Meetings.

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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 60 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:

- (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 61 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 62 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;

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- (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 63 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 64 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.

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 65 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 66 The Company convened a general meeting of shareholders to consider and approve Article 93 of the Articles that is related to the resolutions of public shareholders. The Company shall reannounce the notice of the general meeting of shareholders within three days after the date of share registration notwithstanding that a notice of the general meeting of shareholders has been issued.

Article 67 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.

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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 68 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.

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

Article 69 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.

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- (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;
- (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 70 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 71 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 72 If a meeting convenor 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 convenor 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 73 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 74 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.

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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.

Article 75 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 76 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.

Article 77 The instrument appointing a proxy shall be deposited at the address of the Company or such other place as specified in the notice convening the meeting 24 hours before the time for holding the meeting to which the instrument of proxy relates or 24 hours before the time specified for the vote. If the instrument of proxy is signed by an attorney authorized by the appointor, the power of attorney or other authorization documents shall be notarised. The power of attorney or other authorization documents so notarised shall be deposited together with the instrument of proxy at the legal address of the Company or such other place specified in the notice convening the meeting.

If the shareholder appointing a proxy is a legal person, its legal representative or any person authorized by the board of directors or by other decision making body pursuant to a resolution shall attend the Company's shareholders general meeting on its behalf.

Article 78 Any form of proxy provided to the shareholders by the Company's board of directors for the appointment of shareholders proxies shall allow the shareholders to elect freely to instruct the proxy in the casting of votes (in favour or against) and give instructions in respect of each matter of every business to be transacted at the meeting for which a poll is required. The instrument of proxy shall specify that if no instruction is given by a shareholder, the proxy may vote according to his own will.

Article 79

A vote given by a proxy in accordance with an instrument of proxy shall be valid notwithstanding the death or incapability of the appointor, revocation of the proxy or of the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given, provided that no notice in writing of such matters as aforesaid shall have been received by the Company before the commencement of the meeting in connection therewith.

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- Article 80** Individual shareholders attending a meeting in person should produce their identity document. A proxy attending a meeting on behalf of another person should produce their identity document and the proxy instrument.
- Article 81** Directors other than independent directors and shareholders complying with the relevant legal requirements may solicit voting rights at shareholders' meetings from shareholders. Such soliciting must be without compensation, and information must be fully disclosed to the person being solicited.
- Article 82** The Company is responsible for registration of attendees at a meeting. Information registered should include the name of the attendee (or organisation), identity document number, number of shares held or voting power of shares represented and name of person (or organisation) being represented.
- The convenor and the legal advisers retained by the Company shall jointly verify the eligibility of the shareholders to vote based on the Company's shareholder register provided by the securities registration and clearing authority and shall register the name of the shareholders together with the numbers of voting shares in their possession. Registration shall come to a close before the chairman of the meeting announces the number of shareholders and proxies physically present at the meeting as well as the total number of voting shares represented by the shareholders who are entitled to vote.
- Prior to voting, the chairman of the meeting shall announce the number of shareholders and proxies physically present at the meeting as well as the total number of voting shares represented by the shareholders who are entitled to vote. The number of shareholders and proxies physically present at the meeting as well as the total number of voting shares represented by the shareholders who are entitled to vote shall be determined in accordance with those registered during the meeting.
- Article 83** When convening a general meeting of shareholders, all directors, supervisors and the secretary of the board of directors of the Company shall attend the meeting. Other senior officers shall attend the meeting as non-voting attendees.
- Article 84** When a shareholders' meeting is considering and approving matters relating to connected transactions, the relative connected shareholders may not exercise any voting rights, and the voting rights represented by the number of shares held by such connected shareholders shall not be calculated in the total number of shares valid and voting. The announcement of the resolutions of the shareholders' meeting must fully disclose the results of the non-connected shareholders' voting.
- Article 85** Subject to Article 90, shareholders (including proxies) shall, on a poll, have voting rights corresponding to the number of shares held by them which carry voting rights and, other than in cases of cumulative voting set out in Article 121, each such share shall have one vote.
- The shares held by the Company itself shall not be attached with voting rights. Such shares shall not be counted in the total number of voting shares held by shareholders attending the shareholders' general meetings.
- Article 86** Unless a poll is demanded by the following persons before or after a show of hands, resolutions at a shareholders' general meeting shall be passed by a show of hands:
- (1) the chairman of the meeting;
 - (2) at least two shareholders or proxies having the right to vote;
 - (3) one or more shareholders (including proxies) holding shares alone or jointly representing ten per cent. (10%) or more of the voting rights present at such meeting.

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Unless a poll is demanded, a declaration by the chairman that a proposal has been adopted by a show of hands and recorded in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

The demand for a poll may be withdrawn by the person who demands it.

Article 87 A poll demanded on the election of the chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other questions shall be taken at such time as the chairman of the meeting directs, and any business other than that on which the poll has been demanded may be proceeded with, pending the taking of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

Article 88 On a poll, shareholders (including proxies) having the right to cast two or more than two votes need not cast all their votes in favour of or against a resolution.

Article 89 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second vote.

Article 90 Resolutions of the shareholders' general meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution by a shareholders' general meeting shall require the approval of shareholders (including proxies) representing a majority or more of the voting rights present at the meeting.

A special resolution by a shareholders' general meeting shall require the approval of shareholders (including proxies) representing two-thirds or more of the voting rights present at the meeting.

Shareholders (including proxies) present at the meeting should clearly indicate a vote for or against each resolution requiring a vote at the meeting. Abstentions or failures to vote will not be processed as shares with voting rights when the Company is calculating the results of voting.

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

Article 91 The following matters shall be adopted by ordinary resolution at shareholders' general meetings:

- (1) the working reports by the board of directors and the supervisory committee;
- (2) the profit distribution proposal and proposal to recover losses formulated by the board of directors;
- (3) the appointment or removal of the members of the board of directors and members of the supervisory committee who are not employee representatives and their remuneration and method of payment;
- (4) the Company's annual budget and final report, balance sheet, profit and loss accounts and other financial statements;
- (5) the Company's annual report;
- (6) other matters except those required to be adopted by special resolution in accordance with the provisions of law or administrative regulations or the Company Articles.

Article 92 The following matters shall be resolved by special resolution at shareholders' general meetings:

- (1) increase or reduction of the Company's share capital and the issue of any type of shares, warrants and other similar securities;

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- (2) issue of corporate bonds;
- (3) division, merger, dissolution, liquidation or the change of the form of the Company;
- (4) amendments to the Articles of Association;
- (5) the Company's significant acquisition or disposal of material assets or provision of guarantees conducted within the period of one year with a value exceeding 30% of the latest audited total assets of the Company;
- (6) share incentive schemes;
- (7) other matters which are required under the laws, administrative regulations or these Articles, and which are resolved by shareholders by ordinary resolution that are considered by the shareholders to be material to the Company and are required to be passed by special resolution.

Article 93 At the annual general meeting of shareholders, the board of directors and the supervisory committee shall report on their work for the previous year. Each of the independent directors shall also report on their work.

Directors, supervisors and senior officers shall provide responses and explanations to queries or recommendations raised by shareholders at a general meeting of shareholders, unless the matters relate to commercial secrets of the Company which cannot be disclosed at the general meeting of shareholders.

The external audit firm shall attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditor independence.

Article 94 The chairman of the board shall preside over general meetings of shareholders. If the chairman of the board is unable to or does not perform his or her duties, the vice-chairman of the board of directors (and in case the Company has two or more vice-chairmen of the board of directors, the vice-chairman of the board of directors jointly elected by half or more of the total number of directors) shall preside over and chair the meeting. If the vice-chairman of the board of directors is unable to or does not perform his or her duties, a director jointly elected by half or more of the total number of directors shall preside over and chair the meeting.

A shareholders' general meeting convened by the supervisory committee on their own shall be presided by the chairman of the supervisory committee. If the chairman of the supervisory committee is unable to or does not perform his or her duties, the vice-chairman of the supervisory committee shall preside over the meeting. If the vice-chairman of the supervisory committee is unable to or does not perform his or her duties, a supervisor jointly elected by half or more of the total number of supervisors shall preside over the said meeting.

If a shareholders' general meeting is convened by the shareholders on their own, the convener shall elect a representative to preside over the meeting.

When convening a shareholders' general meeting, if the person presiding over the meeting violates the rules of procedure resulting that the shareholders' general meeting becomes unable to proceed, a person may, subject to the consent of a majority of the shareholders with voting rights attending the meeting at the scene, be elected at the shareholders' general meeting to act as the person presiding the shareholders' general meeting so that the meeting may be proceeded.

Article 95 Before a resolution is decided on a motion at a general meeting of shareholders, two representatives of the shareholders shall be nominated to participate in counting the votes as well as supervising the

counting process. If a shareholder is interested in the matters under consideration, the relevant shareholder and his proxies shall not participate in counting the votes or supervising the counting process.

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At the time of deciding on a motion by voting at a general meeting, legal advisers, representatives of shareholders and representatives of supervisors shall participate in counting the votes as well as supervising the counting process. They shall announce the voting results to the meeting. The voting results in connection with the resolution shall be recorded in the minutes.

At any general meeting of shareholders, the chairman shall be responsible for deciding whether any resolution has been carried or not and the result of this decision shall be announced to the meeting and recorded in the minutes thereof and shall be conclusive.

Article 96 If the chairman has any doubt about the results of voting on a resolution, he may take a poll. If the chairman does not demand a poll, and if any of the shareholders or proxies attending the meeting have any doubts about the results announced by the chairman, they have the right to demand a poll immediately after such announcement, and the chairman shall immediately conduct a poll.

Article 97 If a poll is taken at any meeting, the result thereof shall be duly recorded in the minutes of that meeting.

Article 98 A general meeting of shareholders shall not be declared closed for shareholders who attend in person at a time earlier than for those shareholders who attend via internet or other permitted means. The chairman of the meeting shall announce to the meeting the voting details and results of each motion and shall declare whether or not a motion is adopted on the basis of the relevant voting results.

Prior to announcing the voting results, all those who are involved in the meeting whether in person or via internet or other permitted means, including any companies, persons responsible for counting the votes, persons responsible for supervising the counting process, internet service providers and other relevant parties shall have the obligation to keep matters related to voting confidential.

Article 99 Minutes of a general meeting of shareholders shall be kept and such minutes shall be prepared by the secretary of the board of directors. Minutes of general meetings of shareholders should set out the following:

- (1) the date and venue for convening the meeting, meeting agenda and the name of the convenor;
- (2) the name of the chairman of the meeting as well as those of the directors, supervisors, and senior officers who attend the meeting as attendees and non-voting attendees;
- (3) the number of shareholders and proxies attending the meeting, the total number of voting shares represented by the shareholders who are entitled to vote; the proportion of the number of voting shares represented by the shareholders who are entitled to vote out of the total number of shares of the Company;
- (4) a description of the considerations taken for each motion, the main points put forward by each speaker relating thereto and the voting results thereof;
- (5) details of queries and recommendations of the shareholders and the corresponding response or explanation in relation thereto;
- (6) the names of the legal advisers and persons responsible for counting the votes and for supervising the counting process; and
- (7) other contents which should be recorded in the minutes as provided for in the Articles of Association.

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The convenor shall ensure that the content of the minutes shall be true, accurate and complete. Minutes shall be signed by attendees of the meeting, including the directors, supervisors, secretary of the board of directors, the convenor or its representative and the chairman of the meeting. Minutes shall together with the register relating to shareholders present at the meeting in person and by proxy by way of issuing a proxy form or via internet or other permitted means, be kept by the Company at the Company address for an indefinite period of time.

Article 100 Copies of the minutes of meetings shall be made available for inspection by shareholders during the business hours of the Company free of charge. If any shareholder requests for a copy of any minutes, the Company shall send a copy to him within seven (7) days after receipt of reasonable charges.

Article 101 A public announcement of resolutions of a general meeting of shareholders should set out the number of shareholders (or proxies) attending the meeting, the number of shares (or proxies) represented and the proportion of the Company's total shares with voting power thereby represented, the method of voting and the results of voting for each resolution. For resolutions proposed by shareholders, the announcement should set out the name of the shareholder proposing the resolution, the proportion of shares held and the content of the resolution.

For resolutions not passed at the meeting, or where shareholders amend a resolution, the directors should provide an explanation in the public announcement of resolutions of the general meeting of shareholders.

Article 102 The convenor shall ensure that a general meeting of shareholders is held on a continuous basis until a final resolution is adopted. If a general meeting is suspended or no resolution can be adopted due to force majeure or other exceptional reasons, necessary measures shall be taken so as to promptly re-convene the general meeting or to directly terminate the then general meeting, and public announcement relating thereto shall also be made on a timely basis. At the same time, the convenor shall report the same to the local office of China Securities Regulatory Commission and to relevant stock exchanges.

Article 103 At a general meeting of shareholders, the Company shall retain legal advisers and obtain legal advice in relation to the following issues which shall be incorporated into the shareholders' resolutions for announcement purposes:

- (1) whether the procedures for convening and holding a general meeting comply with the requirements of the laws, administrative regulations and these Articles of Association;
- (2) whether attendees or the convenor of a general meeting meet the requisite legal requirements;
- (3) whether the voting procedures for and the voting results of the general meeting are lawful and valid; and
- (4) issuance of legal opinions on other relevant issues at the request of the Company.

Article 104 If a motion in respect of the distribution of cash or bonus shares, or in connection with the capital increase by conversion from common reserve funds is adopted at a general meeting of shareholders, the Company shall implement such distribution within two (2) months of the relevant general meeting. If the above motion is a profit distribution proposal, the board of directors of the Company is required to complete the distribution of dividends (or shares) within two (2) months after convening the shareholders' general meeting.

CHAPTER 9 SPECIAL PROCEDURES ON CLASS MEETINGS

Article 105 Holders of different classes of shares are class shareholders.

Class shareholders shall have the same rights and obligations in accordance with law, administrative regulations and the Company Articles.

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- Article 106** Rights conferred on any class shareholder (class rights) may not be varied or abrogated unless approved by a special resolution of shareholders in general meeting and by shareholders of that class at a separate shareholders meeting held in accordance with Articles 109 to 113.
- Article 107** The following shall be deemed to be a variation or abrogation of the class rights:
- (1) to increase or decrease the number of shares of such class, or increase or decrease the number of shares of a class having voting or distribution rights or other privileges equal or superior to the shares of such class;
 - (2) to effect a conversion of all or a part of the shares of such class into another class or to effect a conversion or create a right of conversion of all or part of the shares of another class into the shares of such class;
 - (3) to remove or reduce rights to dividends, rights to accrued dividends or rights to cumulative dividends of such class;
 - (4) to reduce or remove the preferential rights to dividends of such class or the preferential rights to asset distributions of such class upon liquidation of the Company;
 - (5) to add, remove to reduce the rights to conversion, option, voting, transfer, preferential placement or acquisition of the Company s securities of such class;
 - (6) to remove or reduce the rights to receive payment in particular currencies of such class;
 - (7) to create a new class of shares having voting or distribution rights or other privileges equal or superior to the shares of such class;
 - (8) to restrict the transfer or ownership of the shares of such class or add to such restrictions;
 - (9) to allot and issue rights to subscribe for, or to convert into, shares in the Company of such class or another class;
 - (10) to increase the rights or privileges of another class;
 - (11) to restructure the Company where the proposed restructuring will result in different classes of shareholders bearing a disproportionate burden of such proposed restructuring;
 - (12) to vary or abrogate this Article.
- Article 108** Shares of the affected class, whether or not otherwise carrying the right to vote at general meetings, shall nevertheless carry the right to vote at class meetings in respect of matters concerning Articles 108(2) to 108(8), Articles 108(11) to 108(12) of these Articles, but Interested Shareholder(s) shall not be entitled to vote at class meetings.
- The meaning of an Interested Shareholder as mentioned in the foregoing paragraph shall be:
- (1) in the case of repurchase of shares by making a general offer to the shareholders in proportion to their shareholding or repurchasing their shares in public on a stock exchange under Article 30, an Interested Shareholder means the Controlling Shareholder as defined in Article 57;
 - (2) in the case of a repurchase of shares by an off-market contract under Article 30, an Interested Shareholder means a holder of the shares to which the proposed contract relates;
 - (3) in the case of a restructuring of the Company, an Interested Shareholder means a shareholder within a class who bears less than a proportionate burden imposed on that class under the proposed restructuring or who has an interest in the proposed restructuring different from the interest of

shareholders of that class.

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Article 109 Resolutions of any class shareholders' meeting shall be made by two-thirds or more of the votes of the shareholders whose shares carry rights to vote of that class present at that meeting in accordance with Article 109 of these Articles.

Article 110 Notice of class shareholders' meeting shall be given to the class shareholders forty-five (45) days (exclusive of the date of meeting) before the date of the meeting in writing. The agenda, date and place of the meeting shall be notified to all of the class shareholders whose names are on the register (regardless of whether the registered address of such shareholders are within or outside the PRC). The class 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.

The Company shall convene the class shareholders' meeting if the voting rights of the class shareholders who propose to attend hold shares carrying more than half of the total voting rights of that class. If the requirement is not met, the Company shall publish an announcement (by publication in newspapers) 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 class shareholders' meeting after having published the announcement.

Article 111 Notice of class shareholders' meeting needs only be served on class shareholders who are entitled to vote thereat.

Meeting of any class of shareholders shall be conducted as nearly as possible as general meetings of shareholders. The provisions of these Articles relating to any meeting of shareholders shall apply to any meeting of a class of shareholders.

Article 112 Save and except for other classes of shares, holders of domestic shares and overseas listed foreign shares are deemed to be different classes of shareholders.

The special procedures of approval by separate class shareholders shall not apply to the following circumstances:

(1) where the Company issues, upon approval by a special resolution of the shareholders in a general meeting, either separately or concurrently once every twelve months, not more than twenty per cent. (20%) of each of the existing issued domestic shares and overseas listed foreign shares of the Company; or

(2) where the Company's plan to issue domestic shares and overseas listed foreign shares on establishment is implemented within fifteen (15) months from the date of approval by the State Council Securities Commission.

CHAPTER 10 BOARD OF DIRECTORS

Article 113 The Company shall have a board of directors which shall consist of eleven to fifteen (11-15) members, of which more than one-third shall be independent (non-executive) directors (that is, directors who are independent from the shareholders of the Company and do not hold any office in the Company, hereinafter referred to as independent directors), and at least one independent director shall be an accounting professional (that is, a person holding a senior position or a certified accountant).

There shall be one (1) chairman and one (1) to two (2) vice-chairman.

The board of directors may establish such committees as the strategic planning (development), audit, remuneration and appraisal, and nomination committees based on need. Of these committees, the audit, remuneration and appraisal, and nomination committees shall have independent directors as a majority of its members.

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Each specialist committee shall have the following basic responsibilities:

(1) Major responsibilities of the audit committee are:

- (i) to propose the appointment or replacement of an external audit firm and to oversee the work of the external audit firm;
- (ii) to oversee the Company's internal audit policy and the implementation thereof;
- (iii) to be in charge of the communications between the Company's internal and external auditors;
- (iv) to review the Company's financial reports and the disclosure thereof;
- (v) to review the Company's internal control system and submit to the board an annual self-assessment report on the Company's internal control;
- (vi) to review the major connected transactions;
- (vii) to review the arrangements made by the Company for the concerns raised by employees in confidence about improprieties in financial reporting, internal control or other matters, and to ensure that the Company will conduct a fair and independent investigation of these matters and take appropriate follow-up action; and
- (viii) to perform other duties and powers as assigned by the board.

(2) Major responsibilities of the remuneration and appraisal committee are:

- (i) to formulate a remuneration policy and an implementation scheme according to the main terms of reference, duties and significance of the management positions of the directors and officers, as well as on the basis of the pay levels for the relevant positions at other relevant companies;
- (ii) to carry out the remuneration policy and the implementation scheme, which primarily comprise performance appraisal standards and procedures, a main evaluation mechanism, award and penalty regimes and standards, etc.;
- (iii) to review and approve the remuneration proposals for the management with reference to the Company's business goals and objectives set by the board;
- (iv) to review the performance of duties by the directors and officers of the Company and to conduct annual performance appraisals thereof;
- (v) to review and approve compensation payable to executive directors and officers of the Company for any loss or termination of office, or compensation arrangements in connection with the dismissal or removal of directors of the Company for misconduct to ensure that such compensation or compensation arrangements are consistent with contractual terms or are otherwise fair and not excessive;
- (vi) to ensure that no director or any of his directly interested parties thereof is involved in deciding his own remuneration; and
- (vii) to perform other duties and powers as assigned by the board.

(3) Major responsibilities of the nomination committee are:

- (i) to examine the criteria, procedures and methods for the selection of directors and officers and to submit the same to the board for consideration;

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- (ii) to review the structure, size and composition of the board (including the skills, knowledge and experience) at least annually and to make recommendations on any proposed changes to the board to complement the Company's corporate strategies;
- (iii) to identify candidates with appropriate qualifications to act as directors and to select and nominate such candidates;
- (iv) to conduct an investigation into the candidates for directorships and the position of general manager and to recommend to the board;
- (v) to make recommendations to the board on the appointment or re-appointment of directors and succession planning for directors (especially the chairman and the general manager);
- (vi) to assess the independence of independent non-executive directors;
- (vii) to conduct fact-finding investigations into the candidates for other management positions as proposed by the general manager and to offer opinions on such investigations to the board;
- (viii) to search for candidates available for employment in the domestic and overseas human resources markets and within the Company and to make recommendations to the board;
- (ix) to perform other duties as assigned by the board; and
- (x) to perform other duties as assigned by the securities regulatory authorities in places where the Company is listed.

The board of directors shall have one or more directors as executive directors. The executive directors shall be responsible for matters as entrusted by the board.

Article 114 The independent directors shall perform their duties faithfully to protect the interests of the Company, and should particularly ensure that the lawful interests of public shareholders shall not be jeopardized.

Independent directors shall perform their duties independently and none of them shall be influenced by the Company's substantial shareholders, beneficial controllers or entities or parties that are interested in the Company, its substantial shareholders or beneficial controllers.

Article 115 Directors shall be natural persons, and are not required to hold shares in the Company.

Directors shall be elected by shareholders at shareholders' general meetings. The term of office of the directors shall be three (3) years, which commences from the date on which such directors serve their term of office until the end of the current session of the board of directors. The directors may be re-elected after the expiration of their term, however independent directors may not serve for terms exceeding six (6) years. Serving more than nine (9) years could be relevant to the determination of a non-executive director's independence. If an independent non-executive director serves more than nine (9) years, his further appointment should be subject to a separate resolution to be approved by shareholders. The papers to shareholders accompanying that resolution should include the reasons why the board believes he is still independent and should be re-elected.

Newly appointed directors or supervisors shall serve their respective term of office immediately after a shareholders' general meeting is closed or at such time as may be specified in a resolution adopted at the shareholders' general meeting.

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If the term of the directors expires but re-election has not been conducted in time, the existing directors shall continue to perform their directors' duties in accordance with the laws, administrative regulations, the rules and regulations of the competent authorities together with these Articles and the appendices attached hereto until the re-elected directors serve their respective term of office.

The chairman and vice-chairman shall be appointed and removed from office by more than half of all the directors. The term of office of the chairman and vice-chairman shall be three years and they may be re-elected after the expiration of their term.

Article 116 The candidates for election as directors shall be placed as a resolution before a general meeting of shareholders.

Candidates for independent directors may be nominated by the board of directors, supervisory committee or shareholders individually or together holding one per cent. (1%) or more of the issued shares of the Company, and shall be elected by the shareholders at shareholders' general meetings.

Candidates for directors other than independent directors may be nominated by the board of directors, supervisory committee or shareholders individually or together holding three per cent (3%) or more of the total voting rights of the Company, and shall be elected by the shareholders at shareholders' general meetings.

Article 117 The following procedure must be followed prior to electing independent directors:

(1) Before nominating a candidate for election as an independent director, the nominator should first obtain the consent of the nominee, and fully understand the nominee's qualifications, education, profession, detailed working experience and other positions held, and said nominator is responsible for providing such written materials to the Company. The candidate shall provide a written undertaking to the Company, agreeing to accept the nomination, confirming the truthfulness and completeness of the publicly disclosed materials relating to the candidate and guaranteeing that following election they will practically carry out the responsibilities of a director.

(2) The nominator of the independent director must make a statement regarding the qualifications and independence of the nominee, and the nominee must make a public declaration that there does not exist any relationship between himself and the Company which may influence his independent objective judgement.

(3) If the nomination of a candidate for independent director occurs before the Company holds a meeting of the board of directors, then the written materials regarding the nominee set out in paragraphs (1) and (2) of this Article shall be made public together with the resolutions of the board of directors or the notice of the shareholders' general meeting.

(4) If shareholders alone or together holding three per cent. (3%) or more of the voting rights of the Company or the supervisory committee proposes a motion at the annual general meeting of shareholders for the election of a candidate for an independent director, then written notice of the intention of such person(s) nominating the candidate and the willingness of the nominee to accept the nomination, together with the written materials and undertakings relating to the nominee set out in paragraphs (1) and (2) of this Article, shall be delivered to the Company during a period of not less than ten (10) days commencing no earlier than the day after the despatch of the notice of such annual general meeting of shareholders and ending no later than ten (10) days before the date of such shareholders' general meeting.

(5) When a notice convening the shareholders' general meeting for the election of independent directors is announced, the Company should submit relevant materials regarding all nominees

simultaneously to the stock exchanges authorized by the securities regulatory and administrative organs under the State Council on which the Company's shares are listed. If the board of directors have any objections to the nominees, it should also submit its written opinions at the same time. Where the relevant stock exchanges have any objections to a nominee, that person shall not be a candidate for election as independent director. When convening a general meeting of shareholders to elect independent directors, the board of directors of the Company should explain whether the relevant stock exchanges have any objections to any of the candidates for election as independent director.

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Article 118 Prior to electing non-independent directors, the following procedure should be followed:

- (1) Before nominating a candidate for election as a non-independent director, the nominator should first obtain the consent of the nominee, and fully understand the nominee's qualifications, education, profession, detailed working experience and other positions held, and said nominator is responsible for providing such written materials to the Company. The candidate shall provide a written undertaking to the Company, agreeing to accept the nomination, confirming the truthfulness and completeness of the publicly disclosed materials relating to the candidate and guaranteeing that following election they will practically carry out the responsibilities of a director.
- (2) If the nomination of a candidate for non-independent director occurs before the Company holds a meeting of the board of directors, then the written materials regarding the nominee set out in paragraph (1) of this Article shall be made public together with the resolutions of the board of directors or the notice of the shareholders' general meeting.
- (3) If shareholders alone or together holding three per cent. (3%) or more of the voting rights of the Company or the supervisory committee propose a candidate for election as a non-independent director to the annual general meeting of shareholders, then written notice of the intention of such person(s) nominating the candidate and the willingness of the nominee to accept the nomination, together with the written materials and undertakings relating to the nominee set out in paragraph (1) of this Article, shall be delivered to the Company during a period of not less than ten (10) days commencing no earlier than the day after the despatch of the notice of such annual general meeting of shareholders and ending no later than ten (10) days before the date of such shareholders' general meeting.

Article 119 Independent directors must fulfil the following basic conditions:

- (1) be qualified to act as a company director pursuant to PRC and overseas laws and regulations;
- (2) possess the independence required pursuant to these Articles;
- (3) possess a basic knowledge of the operations of a listed company, and be familiar with the relevant laws, administrative regulations, rules and codes;
- (4) have at least five (5) years working experience in law, economics or other area required for the fulfillment of responsibilities as an independent director.

Article 120 If the controlling shareholder of the Company exercise more than 30% control, when resolutions are proposed for the election of directors at a shareholders' general meeting, the cumulative voting method shall be adopted, thus when a shareholders' general meeting is electing two or more directors, each share held by a shareholder participating in the vote has equal voting rights in relation to the total number of candidates for election as directors, and a shareholder may either vote all of their shares on one person, or divide their votes across several persons. The main contents of the cumulative voting system are as follows:

- (1) when two or more directors are required to be elected, the cumulative voting method must be adopted;
- (2) when the cumulative voting method is adopted, each share held by a shareholder has equal voting rights in relation to the number of candidates for election as directors;

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- (3) the notice of meeting must inform shareholders that the cumulative voting system will be adopted for the resolutions for the election of directors. The persons convening the meeting must prepare ballots suitable for the implementation of the cumulative voting method, and a written explanation of the cumulative voting method, instructions for filling in ballots and the method of counting votes must be provided;
- (4) when the shareholders' general meeting is voting on the resolutions for the election of directors, shareholders may divide their voting rights, and vote a proportional number of the shares held for each of the candidates for election as director. Alternatively, shareholders may concentrate their voting rights, and vote all of the voting rights represented by the shares held in favour on one particular candidate for election as director, or vote part of the voting rights represented by the shares held in favour of a certain number of the candidates for election as director;
- (5) after a shareholder has concentrated the voting rights represented by all of the shares held by him on one or a certain number of candidates for director, he may not exercise his voting rights again in respect of other candidates for director;
- (6) if the total number of votes exercised by a shareholder concentrating his voting rights on one or a certain number of candidates for director exceeds the total number of voting rights represented by the shares held by that shareholder, that shareholder's vote is invalid, and will be deemed to be an abstention. If the total number of votes exercised by a shareholder concentrating his voting rights on one or a certain number of candidates for director is less than the total number of voting rights represented by the shares held by that shareholder, that shareholder's vote is valid, and those voting rights not exercised will be deemed to be abstentions;
- (7) where the total number of votes in favour won by a candidate for director exceeds one-half of the total of number of shares with voting rights represented by shareholders attending the general meeting (based on the non-cumulative number of shares) and the total number of votes in favour exceeds the total number of opposing votes, that candidate will be elected as a director. If the number of directors so elected exceeds the number of positions available for director, then those receiving the most number of votes in favour shall be elected as directors (provided that where those receiving relatively less votes in favour have an equal number of votes in favour, which would cause the number of persons elected to exceed the positions available, then such candidates will be deemed to have not been elected). If an insufficient number of directors are elected at the shareholders' general meeting to fill the positions available, then a further vote will be conducted for the remaining positions, until such point as all positions for director have been elected;
- (8) where the general meeting holds a new round of election for directors in accordance with the requirements set out in paragraph (7) above, the cumulative votes of the shareholders shall be re-calculated based on the number of directors elected in each round of election.
- (9) Independent directors and other members of the board of directors are elected separately.

Article 121 Subject to compliance with all relevant laws and administrative regulations, the shareholders' general meeting may by ordinary resolution remove any director whose term of office has not expired (however this will not prejudice any request for compensation which may be raised pursuant to any contract).

Article 122 Directors may resign prior to the expiration of their term of office. A director may resign by submitting written notice of his resignation to the board of directors, and an independent director must in addition provide explanations of any matters related to his resignation or which he believes should be brought

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to the attention of shareholders and creditors of the Company.

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Subject to Article 124 of these Articles of Association, a director's resignation shall be effected when the written notice of resignation is received by the board of directors. The board of directors shall disclose such resignation within 2 days of receipt of the written notice.

Article 123 If the resignation of a director would lead the board of directors of the Company to have less than the legally required number of directors, then such director's notice of resignation will only become effective after a new director has been appointed to fill the vacancy so caused by his resignation. The remaining members of the board of directors must forthwith convene an extraordinary meeting of shareholders in order to appoint a director to fill the vacancy caused by the resignation. Prior to the shareholders' general meeting resolution to elect the director, the resigning director and remaining directors powers should be reasonably restricted.

If the resignation of an independent director would lead the board of directors of the Company to have less than the minimum proportion of independent directors required by these Articles, then such independent director should continue to perform his/her duties in compliance with the requirements of the law, administrative regulations and the Articles until the commencement of the term of an elected replacement. The board of directors should convene a shareholders' general meeting to elect a new independent director within two months. If a shareholders' general meeting is not convened within the prescribed period, such independent director does not have to perform the duties thereafter.

Article 124 The board of directors shall be responsible to the shareholders' general meeting and shall exercise the following powers:

- (1) to be responsible for convening shareholders' general meetings and reporting 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 proposals;
- (4) to formulate the Company's proposed annual financial budgets and final accounts;
- (5) to formulate the Company's profit distribution plans and plans for recovery of losses;
- (6) to formulate the Company's financial strategy, proposals for the increase in or reduction of the Company's registered capital and the issue of any kind of securities (but not limited to corporate bonds) and plans for their listing or the repurchase of the shares of the Company;
- (7) to draft plans for major acquisitions or disposals, and for the merger, division, dissolution or changing of the form of the Company;
- (8) to formulate the proposal for amendments to the Articles of Association;
- (9) to decide on matters relating to foreign investment, purchase or sale of assets, mortgage of assets, entrusted asset management and connected transactions by the Company within the scope of authority conferred by the shareholders' general meeting;
- (10) to decide on issues relating to the provision of guarantee in favour of a third party within the scope of authority conferred by the shareholders' general meeting;
- (11) to appoint or dismiss the Company's general manager, and pursuant to the general manager's nomination, to appoint or dismiss deputy general manager and financial officers of the Company; to appoint or dismiss the company secretary; and to decide on their remuneration;
- (12)

to appoint or change the members of the boards of directors and supervisory committees of the Company's wholly-owned subsidiaries, to appoint, change or recommend shareholder representatives, directors (or candidates) and supervisors (or candidates) to the Company's controlled subsidiaries or subsidiaries in which the Company holds shares;

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- (13) to decide on the establishment of the Company's internal management structure;
- (14) to decide on the establishment of branch entities of the Company;
- (15) to formulate the Company's basic management system;
- (16) to administer the disclosure of information by the Company;
- (17) to submit nominations for the appointment or change of accounting firms as the auditors of the Company to the shareholders' general meeting;
- (18) to review the work reports of the general manager and monitor the work of the general manager;
- (19) to develop and review the Company's policies and practices on corporate governance;
- (20) to review and monitor the training and continuous professional development of directors and senior management of the Company;
- (21) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (22) to develop, review and monitor the code of conduct and compliance manual applicable to employees and directors of the Company;
- (23) to decide other major matters and administrative matters not required by laws, administrative regulations or these Articles to be decided by the shareholders' general meeting, and to sign other major agreements; and
- (24) to exercise other powers as stipulated by laws, administrative regulations, the rules and regulations of authorized departments or these Articles or as authorized by shareholders' general meeting.

Save and except for the matters in sub-paragraphs (6), (7), (8) above which require the consent of two-thirds or more of all the directors, all the other matters may be approved upon resolution by a majority of all the directors (in which the matter as forth in sub-paragraph (10) is still subject to approval upon resolution by two-thirds or more of all the directors).

Article 125 Where the board of directors are in unanimous agreement, the powers of the board of directors set out in the previous Article may be delegated to one or more directors, however matters relating to the major interests of the Company should be decided by the entire board of directors. The scope of delegation by the board of directors must be clear and specific.

Article 126 Major connected transactions of the Company as well as the appointment or removal of auditors shall require the approval by more than one half of the independent directors before presenting to the board of directors for discussion. The proposal to convene an extraordinary general meeting of shareholders by independent directors to the board of directors, the proposal to convene a meeting of the board of directors and the solicitation of proxies from shareholders publicly prior to the shareholders' general meeting shall require approval by more than one half of independent directors. Subject to the approval by all independent directors, the independent directors may independently appoint external auditors and consultants to conduct auditing and consultation on specific issues and the relevant costs shall be borne by the Company.

Article 127 Other than the powers set out in the previous Article, independent directors should also express their independent opinion on the following major matters to the board of directors or shareholders' general

meeting:

- (1) nomination or removal of directors;

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- (2) appointment or removal of Senior Management;
- (3) the remuneration of directors and Senior Management;
- (4) existing or new loans or other financial transaction between the Company and its shareholders, actual controlling persons or related enterprises which equal to or exceed the recognised standards of major connected transactions that must be approved by the board of directors or shareholders general meeting (as determined by the standards promulgated from time to time by the authorized regulatory bodies), and whether the Company has taken effective measure to be repaid amounts owing;
- (5) matters which the independent directors believe may harm the rights and interests of minority shareholders;
- (6) any other matters on which the independent directors are required to express an independent opinion pursuant to the laws, regulations, listing rules and other rules of the places where the shares of the Company are listed.

In relation to the above matters, independent directors should express one of the following opinions: (1) agree; (2) qualified opinion and reasons therefore; (3) oppose and reasons therefore; (4) unable to form an opinion and impediments to doing so.

If the matter is a matter requiring disclosure, the Company must announce the opinions of the independent directors. Where the independent directors are divided and are not able to provide a unanimous opinion, the board of directors should separately disclose the opinions of each independent director.

Article 128 The independent directors shall attend the meeting of the board of directors regularly in order to understand the production and operation of the Company, initiate investigation, and obtain the situation and information necessary for making decisions. An annual report from all independent directors describing the situations regarding the performance of their duties shall be submitted by the independent directors to the annual general meeting of the Company.

Article 129 The Company shall establish a system governing the work of independent directors. The secretary to the board of directors shall take the initiative to assist the independent directors for the performance of their duties. The Company shall provide independent directors with working conditions necessary for the performance of their duties, ensure independent directors have the rights to be informed same as that of other directors, and provide independent directors with relevant materials and information in a timely manner. The Company shall also provide regular reports on its operations and organize on-site visits for independent directors when necessary.

Article 130 The board of directors must explain to the shareholders' general meeting when a registered accountancy firm issues a non-standard audit opinion in respect of the Company's financial statements.

Article 131 The board of directors shall formulate Rules of Procedure for Board of Directors Meetings, in order to ensure the effective working and scientific policy-making of the board of directors.

Article 132 When the board of directors makes a decision regarding the entering of new markets, mergers and acquisitions or investments in new fields, where the amount of investment or assets being acquired exceed ten per cent. (10%) of the Company's total assets, a consultancy body should be appointed to provide an expert opinion, as a major basis of the board of directors' decision.

The Rules of Procedure for Shareholders' General Meetings and Rules of Procedures for Board of Directors Meetings shall set out regulations for the limitations on the power of the board of directors to

approve the investments in third parties, acquisition and disposal of assets, mortgage of assets, provision of guarantee to third parties, entrusted assets management, connected transactions and other related matters. The board of directors shall establish strict review and approval procedures for the above matters.

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For major investment projects exceeding the board of directors' approval limits, the board of directors must organise relevant experts and specialists to assess the projects, and report to the shareholders' general meeting for approval.

Article 133 The board of directors, in disposing of the Company's fixed assets, shall not without the prior approval of the shareholders in general meeting, dispose of or agree to dispose of any fixed assets of the Company where the aggregate of the expected value or amount of consideration for the proposed disposition and any fixed assets of the Company which have been disposed of in the period of four (4) months immediately preceding the proposed disposition exceeds thirty-three per cent. (33%) of the value of the Company's fixed assets as shown in the last balance sheet submitted to the shareholders in shareholders' general meeting.

For the purpose of this Article, a disposition includes an act involving some transfer of an interest in assets other than by way of security.

The validity of a disposition by the Company shall not be affected by a breach of the first paragraph of this Article.

Article 134 The chairman of the board of directors shall exercise the following powers:

- (1) to preside over shareholders' general meetings and convene and preside over meetings of the board of directors;
- (2) to organise the implementation of the responsibilities of the board of directors, and to supervise the implementation of board resolutions;
- (3) to sign the Company's securities;
- (4) to sign major documents of the board of directors and other documents which require signature by the legal representative of the Company;
- (5) to exercise the powers of the legal representative;
- (6) in the case of major natural disaster or other circumstances of force majeure, to exercise special management of matters of the Company in accordance with laws, regulations, and the interests of the Company, and subsequently to report to the board of directors and shareholders' general meeting;
- (7) to exercise other powers as authorized by the board of directors.

The vice-chairman of the board of directors shall assist the chairman of the board of directors with his or her duties. When the chairman is unable to, or does not, perform his or her duties, the vice-chairman of the board of directors shall perform the said duties (and if the Company has two or more vice-chairmen of the board of directors, the vice-chairman of the board of directors jointly elected by half or more of the total number of the directors shall perform the said duties). When the vice-chairman of the board of directors is unable to, or does not, perform his/her duties, a director jointly elected by half or more of the total number of the Directors shall perform the said duties.

Article 135 Meetings of the board of directors shall be convened at least four times per year by the chairman. Notice of meeting shall be given to all the directors at least fourteen(14) days prior to the meeting.

Article 136 In any one of the following circumstances, the chairman should convene and chair an extraordinary meeting of the board of directors within ten working days:

- (1) shareholders representing not less than one-tenth of the voting rights requisition a meeting;

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- (2) not less than one-third of the directors together requisition a meeting;
- (3) not less than one-half of the independent directors together requisition a meeting;
- (4) the supervisory committee requisitions a meeting;

Where the chairman cannot convene an extraordinary meeting of the board of directors for special reasons, the chairman shall appoint the vice-chairman or other director to convene the meeting. Where the chairman fails to convene the meeting without cause and fails to appoint any person to convene the meeting on his behalf, a director may be nominated by the vice-chairman or half or more of the total number of all directors to convene the meeting.

Article 137 Notice of meeting of the board of directors shall be given in the following manner:

- (1) regular meetings of the board may be held without notice if the time and place of such meetings have been fixed in advance by the board;
- (2) notice of the time and place of meetings of the board, for which a time and place have not otherwise been fixed in advance by the board, shall be given by the chairman to the directors by telex, telegram, telefax, courier, registered airmail or personal delivery not less than ten (10) days in advance;
- (3) notices shall be given in the Chinese language. An English version may be attached if necessary. The agenda shall also be given. Any of the directors may waive his right to receive notice of board meeting;
- (4) any director may waive his rights to receive notice of board meeting.

Article 138 Notice of meeting of the board of directors shall include the following:

- (1) the time and place of the meeting;
- (2) the duration of the meeting;
- (3) the agenda of the meeting, particulars of the resolutions to be considered at the meeting and any documents or information relevant to the board meeting;
- (4) the date of the notice.

Notice is deemed to be given to any director who attends the meeting without objecting, before or at its commencement, for not receiving any notice.

Article 139 The quorum for a meeting of the board of directors is a majority of all members of the board (including directors who appoint other directors as proxies). Each member of the board shall have one vote. Any board resolution shall be passed by more than half of all the directors. When there is a tie, the chairman of the board shall have a casting vote.

All resolutions passed by the executive directors committee shall be passed by two-thirds of all the executive directors attending the meeting. Regular meetings of the executive directors committee shall be convened by the chairman or the executive director appointed by the chairman. The resolutions of such meeting shall be circulated to all directors for the purpose of managing workflow.

Article 140 The directors should attend board meetings in person. Should any directors be unable to attend the meeting, he may authorize another director by a way of a written instrument of proxy to attend on his behalf. Should any independent director be unable to attend the meeting, he may authorize another independent director by way of a proxy form to attend on his behalf. The proxy form shall set out the

name of the proxy, the matter the appointment relates to, scope of authority and should be signed or sealed by the appointer.

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Any director acting as a proxy shall exercise the right of the appointment director within the scope of authority as set out in the proxy form. In the event that no proxy is appointed by the absent director to attend a board meeting, the absent director shall be deemed to have waived his right to vote at such a meeting.

Article 141 If an independent director fails to attend three consecutive board meetings in person, the board of directors shall propose at the shareholders' general meeting to remove that independent director. Before the expiry of his term of office, an independent director shall not be removed from his/her office without a legitimate cause. Where an independent director is removed from his/her office before the expiry of his/her term, the Company shall make special disclosure of the termination of his/her office. The independent director being removed may make a public declaration if he/she believes that he/she has been removed improperly.

Other directors shall be deemed as failing to carry out their duties if they fail to attend two consecutive board meetings in person and to appoint an alternate director to attend board meetings on their behalf. The board of directors shall propose at the shareholders' meeting for the removal of such directors.

Article 142 Expenses incurred by the directors in attending board meetings shall be paid by the Company. Such expenses shall include transportation costs from the place where the director is located to the place of the meeting and the cost of accommodation and meals during the period the meeting is held. Incidental expenses, such as the rent of the place of the meeting and local transportation, shall also be borne by the Company.

Article 143 A written resolution may be adopted by the board of directors if such resolution has been sent to all the directors and affirmatively signed by the number of directors which would form the quorum required to pass such a resolution. Such written resolution shall become a directors resolution in lieu of a board meeting, provided that such written resolution is sent to the secretary of the board of directors.

Article 144 The minutes of the board resolutions discussed in the board meetings shall be recorded in the Chinese language.

The board minutes shall include the following:

- (1) date, time, the name of the convener and the chairman;
- (2) name of the directors, the person preparing the proxy and the proxy attending;
- (3) agenda of the meeting;
- (4) the key points of the directors' views as expressed at the meeting (in the case of a written resolution, the key views of the directors set out in writing);
- (5) the opinion of the independent directors and whether such opinion is consistent with that of the directors;
- (6) the mechanism and results of voting for each resolution (the results shall include the number of votes cast for and against the resolution and the number of votes that abstained);
- (7) the signature of the directors.

The opinions of the independent directors expressed shall be stated in the board resolution. The minutes of the board meeting shall be given to all directors as soon as practicable. Directors who wish to amend or supplement the minutes shall submit a written report setting out his comments to the chairman of the board within one week of this receipt of the draft minutes circulated. Once the board minutes have been finalised, all attending directors, the Secretary and the person recording such

minutes shall sign the board minutes. The board minutes shall be kept in the Company's office in PRC and a complete copy of the minutes shall be provided to each director.

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Article 145 The board of directors shall be responsible for the resolutions passed. If any of the board resolution violates the laws, administrative regulations or the Articles of Association, resolutions of the shareholders' general meeting and causes serious damage to the Company, such directors who voted in favour of such resolution shall be liable to the Company. Any director who abstained from voting or who neither attended in person nor appointed a proxy to attend the meeting shall not be exempted from liability. Any director who had objected to the resolution during discussions in the board meetings but did not vote against such resolution shall not be exempted from liability. Any directors who voted against such resolution and whose voting was recorded in the minutes of the board meeting shall be exempted from such liability.

CHAPTER 11 COMPANY SECRETARY

Article 146 The Company shall have a secretary of the board of directors (the Secretary) who shall be a senior officer of the Company. The board of directors may set up a company secretarial working committee should the need arise.

Article 147 A director or senior officer of the Company may be appointed to act as the Secretary. The accountants of the accounting firm and lawyers of the law firm employed by the Company shall not be appointed to act as the Secretary.

Where the Secretary is also a director of the Company and an act is required to be done by that director and the Secretary separately, a person who is both the Secretary and the director may not perform the act in both capacities.

Article 148 The Secretary shall be a natural person having the requisite professional knowledge and experience and shall be nominated by the Chairman of the board and appointed or removed by the board of directors.

Article 149 The main responsibilities of the Secretary are:

- (1) to assist directors in performing the day-to-day functions of the board of directors; continuously provide, remind and ensure that directors understand the requirements of local and overseas regulatory bodies on the Company's operations, policies and requirements; assist directors and general manager to exercise their powers in accordance with the local and overseas laws and regulations, the Company's Articles and other relevant rules;
- (2) to be responsible for organizing and preparing documents for board meetings and shareholders meeting; preparing minutes, ensuring that resolutions are passed in accordance with procedures required by law and be informed about the implementation of the board resolutions;
- (3) to be responsible for organizing and coordinating the Company's disclosure, ensuring a timely, accurate, legal, true and fair disclosure of information relating to the Company; maintaining investor relations and enhancing the Company's transparency;
- (4) to participate and coordinate fund raising in the capital markets;
- (5) to maintain relationships with market intermediaries, regulatory bodies, media and maintaining public relations.

Article 150 The scope of the Secretary's duties includes the following:

- (1) coordinate and organize board meetings and shareholders' meetings, prepare the relevant materials for the meeting, arrange matters relating to the meeting, responsible for keeping minutes of

the meetings, ensuring the accuracy of the minutes, keeping documents and minutes of the meeting, actively informing himself of the implementation of resolutions; reporting and providing recommendations to the board of directors on material matters that are being implemented;

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(2) ensure that material decisions of the board of directors are performed strictly in accordance with the relevant requirements. Upon the request of the board of directors, participate in the consultation and analysis of the matters before the board of directors and offer his opinion and make recommendations accordingly; be authorized to perform the day-to-day functions of the board of directors and other committees;

(3) act as the Company's contact person with securities regulatory bodies, responsible for organizing, preparing and submitting documents required by such regulatory bodies, responsible for accepting, organizing and completing tasks delegated by such regulatory bodies; ensuring that the Company prepares and submits to the authorized bodies reports and documents required by such bodies in accordance with the law;

(4) responsible for coordinating and arranging for the disclosure of the Company, putting in place an appropriate disclosure mechanism, participating in all meetings relating to information disclosure, be made aware of the Company's material operating decisions and all related information;

(5) responsible for keeping in confidence any price sensitive information of the Company, and put in place effective rules and systems for maintaining confidentiality of information. Where price sensitive information of the Company has been revealed to the public, take all necessary actions to rectify, explain and clarify and notify the overseas securities regulatory body of the place in which the Company is listed and the China Securities Regulatory Commission;

(6) responsible for coordinating market publicity, reception of visitors, manage investor relations, maintain relationships with investors, market intermediaries and the mass media; responsible for ensuring that enquiries of the public are addressed, ensuring that investors receive information disclosed by the Company on a timely basis; organise and prepare publicity campaigns of the Company locally and overseas, preparing reports summarizing market publicity and material visits and arrange to report any related matters to the China Securities Regulatory Commission;

(7) ensuring that the Company's register of members is properly set up, responsible for maintaining and keeping the register of members, register of directors, information relating to shareholdings of substantial shareholders and directors, and a list of holders of debentures issued by the Company;

(8) assisting directors and general manager to exercise their powers in accordance with local and overseas laws and regulations, the Company Articles and other requirements, and provide them with relevant information (including, b