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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular, or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Hainan Meilan International Airport Company Limited**, you should at once hand this circular together with the enclosed form of proxy to the purchaser or other transferees or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**海南美蘭國際機場股份有限公司**

**Hainan Meilan International Airport Company Limited\***

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

**(Stock Code: 357)**

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION  
RE-ELECTION OF DIRECTOR  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A letter from the Board is set out on pages 2 to 5 of this circular.

A notice convening the Annual General Meeting to be held at 10:00 a.m. on Tuesday, 29 May 2012 in the meeting room of the Company on 3rd Floor, Office Building of Meilan Airport, Haikou City, Hainan Province, the PRC is set out on pages 53 to 55 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon, and in both cases in any event not later than 24 hours before the time appointed for holding the meeting. Completion and return of the form of proxy shall not preclude you from attending and voting at the meeting or any adjourned meeting should you so desire.

\* *For identification purposes only*

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## DEFINITIONS

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*Unless the context requires otherwise, the following expressions shall have the following meanings in this circular:*

“Annual General Meeting”	the Annual General Meeting of the Company to be held at 10:00 a.m. on Tuesday, 29 May 2012 in the meeting room of the Company on 3rd Floor, Office Building of Meilan Airport, Haikou City, Hainan Province, the PRC
“Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“associate(s)”	has the meaning ascribed under the Listing Rules
“Board”	the board of Directors of the Company
“Company”	Hainan Meilan International Airport Company Limited* (海南美蘭國際機場股份有限公司), a joint stock company incorporated in the PRC with limited liability
“CSRC”	China Securities Regulatory Commission
“controlling shareholder”	has the meaning ascribed under the Listing Rules
“Directors”	directors of the Company
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC” or “Mainland”	The People’s Republic of China (excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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LETTER FROM THE BOARD

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海南美蘭國際機場股份有限公司  
**Hainan Meilan International Airport Company Limited\***

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

**(Stock Code: 357)**

*Executive Directors:*

Liang Jun, Chairman  
Dong Zhanbin, President  
Xing Xihong

*Non-executive Directors:*

Hu Wentai, Vice-chairman  
Zhang Han'an  
Chan Nap Kee, Joseph  
Yan Xiang

*Independent Non-executive Directors:*

Xu Bailing  
Fung Ching Simon  
George F. Meng  
Feng Da'an

*Registered Office:*

Office Building of Meilan Airport  
Haikou City  
Hainan Province, the PRC

*Principal Place of Business*

*in Hong Kong:*  
16/F Luk Kwok Centre  
72 Gloucester Road  
Wanchai  
Hong Kong

10 April 2012

*To the Shareholders*

Dear Sir/Madam,

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION  
RE-ELECTION OF DIRECTOR  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**A. INTRODUCTION**

The purpose of this circular is to provide you with information in relation to the proposed amendments to the Articles of Association, the proposed re-election of Director and to give you notice of the Annual General Meeting to consider and, if thought fit, to approve the resolutions at the Annual General Meeting.

\* For identification purposes only

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## LETTER FROM THE BOARD

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### **B. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

A special resolution will be proposed at the Annual General Meeting to approve the proposed amendments to the Articles of Association in order to reflect recent development of Company's business and management as well as changes in PRC laws and regulations and the Listing Rules was defined.

It is proposed that the Shareholders shall authorise the Board to do all such things as necessary in respect of the amendments to the Articles of Association pursuant to the requirements (if any) under domestic or overseas laws or under the rules of any stock exchange on which any securities of the Company are listed.

Our legal advisers have confirmed that the proposed amendments to the Articles of Association is in compliance with the requirements of the Listing Rules and the laws of the PRC. The Company also confirms that there is nothing unusual about the proposed amendments to the Articles of Association for a company listed in Hong Kong.

The proposed amendments to the Articles of Association are subject to the approval of the Shareholders by way of special resolution at the Annual General Meeting. The full text of the proposed amendments to the Articles of Association is set out in the appendix to this circular.

### **C. PROPOSED RE-ELECTION OF DIRECTOR**

On 27 March 2012, the Board has proposed to re-elect Mr. Hu Wentai (胡文泰) as a non-executive Director.

#### **Biographical details of candidates of Director**

Mr. Hu Wentai (胡文泰), aged 56, graduated from Logistics Institute of the P.L.A. Navy in 1979. Mr. Hu has extensive experience in the area of airport management and project construction. Ever since he joined HNA Group Company Limited in June 2000, Mr. Hu has worked as the general manager of Hainan Henghe Property Management Company Limited, the executive vice president of Haikou Meilan International Airport Company Limited, the non-executive Director, chief operating officer and the vice general manager of the Company, the chairman of Haikou New City Area Construction Development Company Limited, the vice general manager of Beijing HNA Realty Group Company Limited.

Save as disclosed above, Mr. Hu Wentai has not any relationships with any directors, supervisors, senior management of the Company or substantial shareholders or controlling shareholders of the Company, nor does he has any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), nor does he holds any directorships in any listed public companies in the last three years. There is no information which is discloseable pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. There is no other matter that needs to be brought to the attention of the shareholders of the Company.

The term of service for Mr. Hu Wentai will be for three years commencing from the date on which approval by the shareholders of the Company at the Annual General Meeting is obtained. The amount of the emoluments of Mr. Hu Wentai is RMB50,000 for each year. The Company will

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## LETTER FROM THE BOARD

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determine the bonus for the relevant directors accordingly to status of the Company's operation, provided that such bonus shall not exceed the limitation of 2% of the Company's net profits for each year audited by an international accounting firm.

### **D. ANNUAL GENERAL MEETING**

Set out on pages 53 to 55 of this circular is a notice convening the Annual General Meeting to be held at 10:00 a.m. on Tuesday, 29 May 2012 in the meeting room of the Company on 3rd Floor, Office Building of Meilan Airport, Haikou City, Hainan Province, the PRC.

Pursuant to Rule 13.39(4) of the Listing Rules, voting at the Annual General Meeting will be conducted by poll. The poll results will be published on the websites of the Company and of the Stock Exchange following the Annual General Meeting.

A form of proxy for use at the Annual General Meeting is accompanied with this circular. Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon, and in both cases in any event not later than 24 hours before the time appointed for holding the Annual General Meeting. Completion and return of the form of proxy shall not preclude you from attending and voting at the Annual General Meeting or any adjourned meeting should you so desire.

The reply slip for the Annual General Meeting is also enclosed with this circular. You are reminded to complete and sign the reply slip and return the signed reply slip to the office of the Secretary Office to the board of directors of the Company at Office Building of Meilan Airport, Haikou City, Hainan Province, the PRC no later than 9 May 2012 (Wednesday) in accordance with the instructions printed thereon.

### **E. BOOK CLOSURE**

The H share register of the Company will be closed from Monday, 30 April 2012 to Tuesday, 29 May 2012 (both days inclusive), during which period no transfer of H shares will be effected. Any holders of H shares of the Company, whose names appear on the Company's register of members at close of business on Monday, 30 April 2012, are entitled to attend and vote at the Annual General Meeting after completing the registration procedures for attending the meeting.

In order to be entitled to attend and vote at the Annual General Meeting (or any adjournment thereof) on Tuesday, 29 May 2012, share transfer documents should be lodged with the Company's H shares share registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 27 April 2012.

### **F. RECOMMENDATIONS**

The Directors believe that all the resolutions proposed for consideration and approval by the Shareholders at the Annual General Meeting are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all the Shareholders vote in favour of all the resolutions to be proposed at the Annual General Meeting as set out in the notice of Annual General Meeting.

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## LETTER FROM THE BOARD

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### G. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

Yours faithfully,  
By the order of the Board  
**Hainan Meilan International Airport Company Limited\***  
**Liang Jun**  
*Chairman*

Hainan PRC, 10 April 2012

The Articles of Association of the Company is going to be modified as follows:

**Article 6 (original)**

The Articles of Association of the Company was passed by the shareholders' general meeting by means of a special resolution, and became effective upon the approval of the department in charge of company examination and approval as authorised by the State Council to replace the Articles of Association originally registered with the administrative department for industry and commerce.

From the effective date onwards, the Articles of Association (including future amendments) has become the legally binding document regulating the Company's organisation and actions, relationship between the Company and the shareholders, and rights and obligations among the shareholders.

The contents of the Articles of Association were drafted mainly on the basis of the "Company Law," and the "Mandatory Provisions in the Articles of Association for Companies Listing Outside China" (hereinafter called "Mandatory Provisions") (Securities Commission Decree No. [1994]21) as prescribed by the department in charge of company examination and approval authorised by the State Council and the China Securities Regulatory Commission on the 27th August, 1994, the "Suggestions for Supplementary Amendments to the Articles of Association for Companies Listed in Hong Kong," (CSRC Notice No. [1995]1) issued by the Overseas Listing Department of the China Securities Regulatory Commission and the State Ministry for Restructuring and Production on the 3rd April, 1995, and "Regarding the Promulgation of 'Guidelines for the Articles of Association of Listed Companies' Notice" issued by the China Securities Regulatory Commission on the 26th October, 1997. Any amendment to the "Mandatory Provisions" shall be passed by a special resolution by the shareholders' general meeting in accordance with Chapter 78 in the Articles of Association.

**Article 6 (amended)**

The Articles of Association of the Company was passed by the shareholders' general meeting by means of a special resolution, and became effective upon the initial public offering and listing of the Company to replace the Articles of Association originally registered with the administrative department for industry and commerce.

From the effective date onwards, the Articles of Association has become the legally binding document regulating the Company's organisation and actions, relationship between the Company and the shareholders, and rights and obligations among the shareholders.

**Article 7 (original)**

The Articles of Association shall have binding effect on the Company, and its shareholders, directors, supervisors, general manager, (or called president, CEO etc. Hereinafter the same) and other senior management personnel. Such persons shall be entitled to exercising their rights regarding the Company according to the Articles of Association.



The shareholders may bring legal actions against the Company according to the Articles of Association; the Company may bring legal actions against the shareholders according to the Articles of Association; the shareholders may bring legal actions against the shareholders; the shareholders may bring legal actions against the directors, supervisors, general manager and other senior management personnel according to the Articles of Association.

The other senior management personnel according to the Articles of Association are the vice general manager, the company secretary, CFO.

Such legal actions include applying to the court for legal actions and applying for arbitration with the arbitration board.

**Article 7 (amended)**

The Articles of Association shall have binding effect on the Company, and its shareholders, directors, supervisors, general manager, (or called president, CEO etc. Hereinafter the same) and other senior management personnel. Such persons shall be entitled to exercising their rights regarding the Company according to the Articles of Association.

The shareholders may bring legal actions against the Company according to the “Company Law” and the Articles of Association; the Company may bring legal actions against the shareholders according to the “Company Law” and the Articles of Association; the shareholders may bring legal actions against the shareholders according to the “Company Law” and the Articles of Association; the shareholders may bring legal actions against the directors, supervisors, general manager and other senior management personnel according to the “Company Law” and the Articles of Association.

The other senior management personnel according to the Articles of Association are the vice general manager, the company secretary, CFO.

Such legal actions include applying to the court for legal actions and applying for arbitration with the arbitration board.

**Article 8 (original)**

The Company may invest in other limited companies and joint stock limited companies, and be responsible to the invested companies for the amount invested.

As approved by the department in charge of company examination and approval authorised by the State Council, the Company may operate according to Section 2, Article 12 of the “Company Law,” depending on operating requirements.

**Article 8 (amended)**

The Company may invest in other enterprises. However, unless otherwise provided by the law, the Company shall not be jointly and severally liable for the debts of the invested enterprises.

**Article 9 (original)**

The Company is an independent enterprise legal person. The Company shall conduct all its business in full compliance with the laws and regulations of China and of places outside China where foreign shares are listed, and shall protect the legal rights of shareholders. All the Company's capital is divided into equal shares. Shareholders' liability towards the Company is limited to the extent of the shares they hold. The Company is liable to its liabilities to the extent of all the Company's assets.

Under the premises of abiding by the laws and administrative regulations of China, the Company possesses the rights to raise and borrow funds. The right to raise funds includes, but not limited to, issuing company bond, mortgage, or pledging the ownership or the right of use of part of or all of the Company's assets, or exercising any other rights allowed by the laws and administrative regulations of China. However, when exercising the above rights, the Company shall not harm or abrogate the rights of any class of shareholders.

**Article 9 (amended)**

The Company is an independent enterprise legal person. The Company shall conduct all its business in full compliance with the laws and regulations of China and of places outside China where foreign shares are listed, and shall protect the legal rights of shareholders. All the Company's capital is divided into equal shares. Shareholders' liability towards the Company is limited to the extent of the shares they subscribe. The Company is liable to its liabilities to the extent of all the Company's assets.

**Article 16 (original)**

The Company was incorporated as a joint stock company by promoters according to the permit, Hainan Share Office No. [2000]97, dated the 26th December, 2000, issued by the Hainan Province Share System Enterprises Office, and according to the "Hainan Province Securities Regulatory Office, Conditions and Procedures for Establishing Joint Stock Limited Companies Regulations" (Hainan Securities Office No. [1997]8). The total number of issued ordinary shares is 250,000,000, all subscribed by the promoters below, making up 100% of issued ordinary shares:

Haikou Meilan Airport Company Limited	237,500,000 shares	95%
Hainan Airlines Company Limited	5,287,500 shares	2.115%
HNA Group Company Limited	3,512,500 shares	1.405%
Central South Civil Aviation Economy Development Corporation	2,775,000 shares	1.11%
China Southern Airlines Company Limited	925,000 shares	0.37%

**Article 16 (amended)**

The Company was incorporated as a joint stock company by promoters according to the permit, Hainan Share Office No. [2000]97, dated the 26th December, 2000, issued by the Hainan Province Share System Enterprises Office. The total number of issued ordinary shares is 250,000,000, all subscribed by the promoters below, making up 100% of issued ordinary shares:

Haikou Meilan Airport Company Limited	237,500,000 shares	95%
Hainan Airlines Company Limited	5,287,500 shares	2.115%
HNA Group Company Limited	3,512,500 shares	1.405%
Central South Civil Aviation Economy Development Corporation	2,775,000 shares	1.11%
China Southern Airlines Company Limited	925,000 shares	0.37%

**Article 20 (original)**

The Company's registered capital after the completion of the issue of overseas listed foreign shares is RMB 473,213,000 Yuan. The Company shall register its registered capital in the industrial and commercial administrative department and send the document to the department in charge of company examination and approval authorized by the State Council and the institution in charge of securities administration in the State Council for record keeping.

**Article 20 (amended)**

The Company's registered capital after the completion of the issue of overseas listed foreign shares is RMB473,213,000 Yuan.

**Article 21 (original)**

As for the operation and development requirements, the Company may increase its capital in accordance with the related articles in the Company's Articles of Association.

The Company may increase its capital by the following means:

- (1) Issuing new shares to non-designated investors;
- (2) Placing new shares to existing shareholders;
- (3) Issuing new shares to existing shareholders; and
- (4) Adopting other means permitted by laws and administrative regulations.

When issuing new shares to increase capital, the Company shall adhere to the procedures of relevant State laws and administrative regulations, after obtaining internal approval in accordance with the Company's Articles of Association.

**Article 21 (amended)**

As for the operation and development requirements, the Company may increase its capital in accordance with the related articles in the Company's Articles of Association.

The Company may increase its capital by the following means:

- (1) Issuing new shares to non-designated investors;
- (2) Placing new shares to existing shareholders;
- (3) Issuing new shares to existing shareholders;
- (4) Issuing new shares to designated investors; and
- (5) Adopting other means permitted by laws and administrative regulations.

When issuing new shares to increase capital, the Company shall adhere to the procedures of relevant State laws and administrative regulations, after obtaining internal approval in accordance with the Company's Articles of Association.

**Article 30 (original)**

The Company may repurchase its issued shares, after passing the procedures as stipulated in the Articles of Association and receiving the approval of the relevant supervisory authorities in the State Council, under the following conditions:

- (1) Canceling shares for the reduction of the Company's capital;
- (2) Merging with other companies which hold the Company's shares; and
- (3) Other conditions permitted by laws and administrative regulations.

**Article 30 (amended)**

The Company may repurchase its issued shares, after passing the procedures as stipulated in the Articles of Association and receiving the approval of the relevant supervisory authorities of the State, under the following conditions:

- (1) Reducing the Company's capital;
- (2) Merging with other companies which hold the Company's shares;
- (3) Awarding its staff with the Company's shares;
- (4) Acquiring shares held by shareholders with a different view in respect of resolutions regarding merger or division adopted in a general meeting; and
- (5) Other conditions permitted by laws and administrative.

**Article 32 (original)**

The repurchase of shares by agreement outside the stock exchange shall be first approved by shareholders in the general meeting according to the rules of the Articles of Association. After getting approved by the same procedures in the shareholders' general meeting, the Company may cancel or amend the agreement reached by the method afore-mentioned, or give up any right in the contract.

The afore-mentioned agreement on the repurchase of shares includes, but not limited to, agreements on taking the responsibility to repurchase shares and receiving the right of share repurchase.

**Article 32 (amended)**

The acquisition of the Company's shares for reason as stipulated from Item (1) to Item (3) of Article 30 of the Articles of Association or the repurchase of shares by agreement outside the stock exchange shall be first approved by shareholders in the general meeting according to the rules of the Articles of Association. After getting approved by the same procedures in the shareholders' general meeting, the Company may cancel or amend the agreement reached by the method afore-mentioned, or give up any right in the contract.

The afore-mentioned agreement on the repurchase of shares includes, but not limited to, agreements on taking the responsibility to repurchase shares and receiving the right of share repurchase.

**Article 33 (original)**

After repurchasing shares in accordance with the relevant laws and regulations, the Company shall cancel such shares within the time limit set by the laws and administrative regulations, and apply to the original department in charge of such company registration to register the change in its registered capital and make an announcement on it.

The book value of the cancelled shares shall be deducted from the Company's registered capital.

**Article 33 (amended)**

After repurchasing shares in accordance with the relevant laws and regulations, the Company shall transfer or cancel such shares within ten (10) days from the date of acquisition for circumstances under Item (1) of Article 30 of the Articles of Association, or within six (6) days from the date of acquisition for circumstances under Item (2) and Item (4) of Article 30 of the Articles of Association. The book value of the cancelled shares shall be deducted from the Company's registered capital and the Company shall apply to the department in charge of such company registration to register the change in its registered capital according to the law.

The Company's shares acquired by the Company in accordance with Item (3) of Article 30 of the Articles of Association shall not be more than five percent (5%) of the Company's total number of issued shares. Funds used in acquiring the shares shall be disbursed from the Company's after-tax profits. The acquired shares shall be transferred to its staff within one (1) year.

**Article 38 (original)**

The name is recorded in the Company's share certificate.

The following information shall be included in a Company's share certificate:

- (1) The name of the Company;
- (2) The incorporation date of the Company;
- (3) The class of share, its face value and the number of shares represented;
- (4) The serial number of the share certificate; and
- (5) Other information required by the stock exchange where the Company's shares are listed.

**Article 38 (amended)**

The name is recorded in the Company's share certificate.

The following information shall be included in a Company's share certificate:

- (1) The name of the Company;
- (2) The incorporation date of the Company;
- (3) The class of share, its face value and the number of shares represented;
- (4) The serial number of the share certificate; and
- (5) Other information required by the "Company Law", the "Special Regulations" and the stock exchange where the Company's shares are listed.

**Article 48 (original)**

Any shareholder who has registered or requested to register his name on the register of shareholders loses his share certificates (the original shares), may apply to the Company for replacement by new share certificates of such shares (the relevant shares).

Shareholders of domestic shares who lose their share certificates shall apply for replacement according to the regulations of Article 150 of the "Company Law."

Shareholders of overseas listed foreign shares who lose their share certificates shall apply for replacement according to the laws of where the register of shareholders is located, the regulations of the stock exchange or other relevant regulations.

The application for replacement of lost share certificates, by the shareholders of overseas listed foreign shares listing in Hong Kong, shall meet the following requirements:

- (1) The applicant shall submit the application using the standard form designated by the Company and enclose notarial or other legal declaration documents. The contents of the notarial or other legal declaration documents shall include the reasons for the application, the circumstances leading to the loss of share certificates and proof thereof, and the declaration that no other person may request to register as shareholders for the relevant shares;
- (2) No request has been received by the Company to register as shareholders for these shares other than the applicant before the Company decides to issue new share certificates for replacement;
- (3) After deciding to issue new share certificates to the applicant for replacement, the Company shall place an announcement for reissuing new shares in the newspapers designated by the board of directors. The period of the announcement is ninety (90) days. The announcement shall be published again every thirty (30) days;
- (4) Prior to publishing announcement for reissuing new shares, the Company shall submit a copy of the draft of the announcement to its listing stock exchange. After receiving a reply from the stock exchange confirming that the announcement has been posted in the stock exchange, the Company may publish the announcement. The announcement will be posted in the stock exchange for a period of ninety (90) days. If the application of reissuing share certificates has not been approved by the registered shareholder of the related shares, the Company shall send by mail a copy of the draft of the announcement to that registered shareholder;
- (5) After the expiration of the ninety (90) day notice period for announcements in sections (3) and (4) of this article, and no disagreement is received by the Company for the replacement of lost shares from any person, the Company may reissue new share certificates based on the applicant's information;
- (6) When the Company issues new share certificates according to the regulation of this article, it shall cancel the original shares immediately. The cancellation and the reissue shall be recorded in the register of shareholders;
- (7) All the expenses incurred by the Company in canceling lost shares and issuing new share certificates are borne by the applicant. The Company has the right to decline to take any action before the applicant can provide reasonable surety; and
- (8) The publication of announcement for reissuing share certificates in section 3 shall include at least one Chinese and one English newspaper in Hong Kong.

**Article 48 (amended)**

Any shareholder who has registered or requested to register his name on the register of shareholders loses his share certificates (the original shares), may apply to the Company for replacement by new share certificates of such shares (the relevant shares).

Shareholders of domestic shares who lose their share certificates shall apply for replacement according to the regulations of Article 144 of the “Company Law.”

Shareholders of overseas listed foreign shares who lose their share certificates shall apply for replacement according to the laws of where the register of shareholders is located, the regulations of the stock exchange or other relevant regulations.

The application for replacement of lost share certificates, by the shareholders of overseas listed foreign shares listing in Hong Kong, shall meet the following requirements:

- (1) The applicant shall submit the application using the standard form designated by the Company and enclose notarial or other legal declaration documents. The contents of the notarial or other legal declaration documents shall include the reasons for the application, the circumstances leading to the loss of share certificates and proof thereof, and the declaration that no other person may request to register as shareholders for the relevant shares;
- (2) No request has been received by the Company to register as shareholders for these shares other than the applicant before the Company decides to issue new share certificates for replacement;
- (3) After deciding to issue new share certificates to the applicant for replacement, the Company shall place an announcement for reissuing new shares in the newspapers designated by the board of directors. The period of the announcement is ninety (90) days. The announcement shall be published again every thirty (30) days;
- (4) Prior to publishing announcement for reissuing new shares, the Company shall submit a copy of the draft of the announcement to its listing stock exchange. After receiving a reply from the stock exchange confirming that the announcement has been posted in the stock exchange, the Company may publish the announcement. The announcement will be posted in the stock exchange for a period of ninety (90) days. If the application of reissuing share certificates has not been approved by the registered shareholder of the related shares, the Company shall send by mail a copy of the draft of the announcement to that registered shareholder;
- (5) After the expiration of the ninety (90) day notice period for announcements in sections (3) and (4) of this article, and no disagreement is received by the Company for the replacement of lost shares from any person, the Company may reissue new share certificates based on the applicant’s information;
- (6) When the Company issues new share certificates according to the regulation of this article, it shall cancel the original shares immediately. The cancellation and the reissue shall be recorded in the register of shareholders;
- (7) All the expenses incurred by the Company in canceling lost shares and issuing new share certificates are borne by the applicant. The Company has the right to decline to take any action before the applicant can provide reasonable surety; and
- (8) The publication of announcement for reissuing share certificates in section 3 shall include at least one Chinese and one English newspaper in Hong Kong.



**Article 52 (original)**

Common share shareholders have the following rights:

- (1) Receive dividend and other kinds of distribution according to the number of shares held;
- (2) Attend or appoint nominees to attend shareholders' general meetings, and exercise voting rights;
- (3) Supervise the Company's business operating activities; propose suggestions or make inquiries;
- (4) Transfer shares according to the laws, administrative regulations and the Articles of Association;
- (5) Receive the following information according to the Articles of Association, including:
  1. Receive the Articles of Association after payment of subscription monies;
  2. After payment of reasonable fees, obtain the right to inquire and photocopy:
    - i. The register of shareholders of all classes.
    - ii. Personal information of the Company's directors, supervisors, general manager and other senior management personnel, including:
      - (a) Present and past names including alias;
      - (b) Principal address (residential);
      - (c) Nationality;
      - (d) Major job position and all other part-time positions, duties; and
      - (e) Personal identity document and its number;
  3. Condition of share capital;
  4. From the previous accounting year the total face value, quantities, highest and lowest prices of every class of shares repurchased by the Company, and report of all the expenses paid by the Company therefor; and
  5. Minutes of shareholders' general meetings.
- (6) Share in the distribution of surplus assets according to the number of shares held when the Company is being terminated or liquidated; and
- (7) Other rights conferred by laws, administrative regulations and the Articles of Association.

**Article 52 (amended)**

Common share shareholders have the following rights:

- (1) Receive dividend and other kinds of distribution according to the number of shares held;
- (2) Request, convene, preside, attend or appoint nominees to attend shareholders' general meetings according to the law, and exercise voting rights;
- (3) Supervise the Company's business operating activities; propose suggestions or make inquiries;
- (4) Transfer, donate or pledge shares held according to the laws, administrative regulations and the Articles of Association;
- (5) Receive the following information according to the Articles of Association, including:
  1. Receive the Articles of Association after payment of subscription monies;
  2. After payment of reasonable fees, obtain the right to inquire and photocopy:
    - i. The register of shareholders of all classes.
    - ii. Personal information of the Company's directors, supervisors, general manager and other senior management personnel, including:
      - (a) Present and past names including alias;
      - (b) Principal address (residential);
      - (c) Nationality;
      - (d) Major job position and all other part-time positions, duties; and
      - (e) Personal identity document and its number;
  3. Condition of share capital;
  4. From the previous accounting year the total face value, quantities, highest and lowest prices of every class of shares repurchased by the Company, and report of all the expenses paid by the Company therefor;
  5. Minutes of shareholders' general meetings and resolutions of board of directors' meetings and meetings of the supervisory committee;
  6. Corporate bonds stubs; and
  7. Financial reports.

- (6) Share in the distribution of surplus assets according to the number of shares held when the Company is being terminated or liquidated;
- (7) Require the Company's acquisition of shares held given a different view in respect of resolutions regarding merger and division adopted in a general meeting; and
- (8) Other rights conferred by laws, administrative regulations and the Articles of Association.

**Article 57 (original)**

The shareholders' general meeting exercises the following powers:

- (1) To decide on the Company's operating policies and investment plans;
- (2) To elect or remove directors, and decide on matters relating to the remuneration of directors;
- (3) To elect or remove supervisors who are representatives of shareholders 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 budget and final accounts;
- (7) To examine and approve the Company's proposals for profit distribution and for recovery of losses;
- (8) To decide on any increase or reduction in the Company's registered capital;
- (9) To decide on merger, division, dissolution or liquidation and other matters of the Company;
- (10) To decide on the issue of bonds by the Company;
- (11) To decide on the appointment, dismissal or discontinued appointment of auditors;
- (12) To amend the Articles of Association of the Company;
- (13) To examine any proposals put forward by shareholders holding five percent (5%) (containing (5%)) or above of the voting rights; and
- (14) To decide on any other matters to be decided by the shareholders' general meeting according to the laws, administrative regulations and the Articles of Association.

**Article 57 (amended)**

The shareholders' general meeting exercises the following powers:

- (1) To decide on the Company's operating policies and investment plans;

- (2) To elect or remove directors, and decide on matters relating to the remuneration of directors;
- (3) To elect or remove supervisors who are representatives of shareholders 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 budget and final accounts;
- (7) To examine and approve the Company's proposals for profit distribution and for recovery of losses;
- (8) To decide on any increase or reduction in the Company's registered capital;
- (9) To decide on merger, division, change in corporate form, dissolution or liquidation and other matters of the Company;
- (10) To decide on the issue of bonds and other securities by the Company and the listing of the Company;
- (11) To decide on the appointment, dismissal or discontinued appointment of auditors;
- (12) To examine matters in respect of the Company's purchase or sale of material assets accounting for more than thirty percent (30%) of the Company's latest audited total assets within one (1) year;
- (13) To examine and approve matters in respect of the following guarantees:
  1. Any guarantees provided after the total amount of external guarantees has reached or exceeded thirty percent (30%) of the Company's latest audited total assets;
  2. Any guarantees provided involving an amount of more than ten percent (10%) of the Company's latest audited net assets in a single deal;
  3. Any guarantees provided after the total amount of external guarantees provided by the Company and its subsidiaries has reached or exceeded fifty percent (50%) of the Company's latest audited net assets;
  4. Any guarantees provided to a guaranteed party with an asset liability ratio of more than seventy percent (70%); and
  5. Any guarantees provided to the Company's shareholders or de facto controllers.
- (14) To amend the Articles of Association of the Company;
- (15) To examine any interim proposals put forward by shareholders singly or jointly holding three percent (3%) (containing (3%)) or above of the voting rights;

- (16) To decide on equity incentive schemes; and
- (17) To decide on any other matters to be decided by the shareholders' general meeting according to the laws, administrative regulations and the Articles of Association.

**Article 59 (original)**

Shareholders' general meetings can be classified into annual general meetings and extraordinary general meetings. Shareholders' general meetings are convened by the board of directors. Annual general meetings are held once a year and shall be held within six (6) months after the end of the previous financial year.

Extraordinary shareholders' general meetings are required to be held within two months after the occurrence of any of the following events:

- (1) The number of directors is less than the number provided for in the "Company Law" or less than two thirds (2/3) of the number specified in the Company's Articles of Association;
- (2) The aggregate losses of the Company which are not made up reach one third of the Company's total share capital;
- (3) A request in writing by shareholders holding ten percent (10%) (containing ten percent (10%)) or more of the Company's voting rights; or
- (4) When deemed necessary by the board of directors or requested by the supervisory committee.

**Article 59 (amended)**

Shareholders' general meetings can be classified into annual general meetings and extraordinary general meetings. Shareholders' general meetings are convened by the board of directors. Annual general meetings are held once a year and shall be held within six (6) months after the end of the previous financial year.

Extraordinary shareholders' general meetings are required to be held within two months after the occurrence of any of the following events:

- (1) The number of directors is less than the number provided for in the "Company Law" or less than two thirds (2/3) of the number specified in the Company's Articles of Association;
- (2) The aggregate losses of the Company which are not made up reach one third of the Company's total share capital;
- (3) A request in writing by shareholders singly or jointly holding ten percent (10%) (containing ten percent (10%)) or more of the Company's voting rights;
- (4) When deemed necessary by the board of directors or requested by the supervisory committee; or
- (5) When requested by two or more independent non-executive directors.

**Article 61 (original)**

When the Company convenes the annual general meeting, shareholders holding five percent (5%) or more of the Company's total shares with voting rights are entitled to propose in writing to the Company any new resolutions to be considered at that meeting, which if within the powers of the shareholders' general meeting, are required to be added to the agenda of that meeting.

**Article 61 (amended)**

When the Company convenes the annual general meeting, shareholders singly or jointly holding three percent (3%) or more of the Company's total shares with voting rights are entitled to propose in writing to the Company any interim resolutions to be considered at that meeting and submit to the convener ten (10) days before the meeting. The convener of the shareholders' general meeting shall make a supplementary notice to other shareholders within two (2) days upon the receipt of the resolutions and the resolutions, if within the powers of the shareholders' general meeting, are required to be added to the agenda of that meeting for consideration by shareholders in the general meeting.

**Article 63 (original)**

A notice of the shareholders' meeting shall meet the following requirements:

- (1) In written form;
- (2) Specify the date, venue and time of the meeting;
- (3) State the matters to be considered;
- (4) Provide sufficient information and explanation to shareholders for matters to be considered to enable them to make informed decisions. This principle includes (but not limited to) providing the relevant transaction conditions and contracts (if applicable) of the agreements when the Company proposes merger, repurchase of shares, restructuring of share capital or other restructuring, and providing serious explanation of the causes and consequences;
- (5) When any director, supervisor, general manager or other senior management personnel has great conflict of interest with the matters to be discussed in the meeting, he shall disclose the nature and seriousness of the conflict of interest. If the matters to be considered shall affect that director, supervisor, general manager or other senior management personnel as shareholder differently from other classes of shareholders, explanation is necessary for clarifying the differences;
- (6) Contain the entire text of any special resolution to be considered and passed at the shareholders' general meeting;
- (7) Explain in clear wording that shareholders with the rights to attend and vote in the shareholders' general meeting have the right to appoint one or more than one proxies to attend and vote. Such a proxy needs not be a shareholder; and
- (8) State the time and place for delivery of the proxy appointment letter.

Article 63 (amended)

A notice of the shareholders' meeting shall meet the following requirements:

- (1) In written form;
- (2) Specify the date, venue and time of the meeting;
- (3) Specify the date of registration of shares held by shareholders entitled to attend the shareholders' general meeting;
- (4) Specify the name and telephone number of the permanent contact person for meeting affairs;
- (5) State the matters to be considered;
- (6) Provide sufficient information and explanation to shareholders for matters to be considered to enable them to make informed decisions. This principle includes (but not limited to) providing the relevant transaction conditions and contracts (if applicable) of the agreements when the Company proposes merger, repurchase of shares, restructuring of share capital or other restructuring, and providing serious explanation of the causes and consequences;
- (7) When any director, supervisor, general manager or other senior management personnel has great conflict of interest with the matters to be discussed in the meeting, he shall disclose the nature and seriousness of the conflict of interest. If the matters to be considered shall affect that director, supervisor, general manager or other senior management personnel as shareholder differently from other classes of shareholders, explanation is necessary for clarifying the differences;
- (8) Contain the entire text of any special resolution to be considered and passed at the shareholders' general meeting;
- (9) Explain in clear wording that shareholders with the rights to attend and vote in the shareholders' general meeting have the right to appoint one or more than one proxies to attend and vote. Such a proxy needs not be a shareholder; and
- (10) State the time and place for delivery of the proxy appointment letter.

**Article 64 (original)**

Notices of shareholders' general meetings shall be delivered by special delivery or by postal mail (whether or not the shareholders have the voting rights in the meetings). Notices shall be mailed according to the addresses in the register of shareholders. For shareholders of domestic shares, notices of shareholders' general meetings can also be made by public announcement.

The announcement mentioned above shall be made within forty-five (45) to fifty (50) days prior to the date of the shareholders' general meeting, published in one or several of the national newspapers designated by the institution in charge of securities administration in the State Council. After the announcement, shareholders of domestic shares are deemed to have received the notice of the

shareholders' general meeting. If possible, the Chinese and English versions of such announcements shall be published in one of the major Chinese newspapers and one of the English newspapers in Hong Kong on the same date.

**Article 64 (amended)**

Notices of shareholders' general meetings shall be delivered by special delivery or by postal mail (whether or not the shareholders have the voting rights in the meetings). Notices shall be mailed according to the addresses in the register of shareholders. For shareholders of domestic shares, notices of shareholders' general meetings can also be made by public announcement. As for shareholders of overseas listed foreign shares, notices of shareholders' general meetings can also be delivered or made through the Company's website or methods as stipulated by the Listing Rules from time to time, provided that the laws, administrative regulations and the listing rules of the stock exchange where the Company's shares are listed are observed.

The announcement mentioned above shall be made within forty-five (45) to fifty (50) days prior to the date of the shareholders' general meeting, published in one or several of the national newspapers designated by the institution in charge of securities supervision and administration in the State Council. After the announcement, shareholders of domestic shares are deemed to have received the notice of the shareholders' general meeting.

**Article 66 (original)**

Any shareholder, who has the rights to attend and vote in the shareholders' general meeting, has the right to appoint one or several persons (such persons need not be shareholders) as his proxy/ies to attend and vote. The shareholder's proxy may exercise the following rights as the proxy of shareholder:

- (1) To speak in the shareholders' general meeting on behalf of the shareholder;
- (2) To request the casting of ballots by himself or jointly with others; and
- (3) To vote by show of hands or by ballot; however, if the appointed representative exceeds one person, the shareholder's representative can only exercise the voting rights by casting ballots.

If the shareholder is a designated clearing house according to Hong Kong Law Chapter 420 of the Securities and Futures (Clearing House) Ordinance, it may appoint any person (one or more than one) deemed appropriate to be its proxy in any shareholders' general meeting, or any kinds of general meeting. However, for one or more persons so appointed, the appointment letter shall state the number of shares and classes of shares represented by the proxy. The person so appointed has the right to represent the clearing house (or its proxy) to exercise its rights as if the clearing house is an individual shareholder of the Company.



**Article 66 (amended)**

Any shareholder, who has the rights to attend and vote in the shareholders' general meeting, has the right to appoint one or several persons (such persons need not be shareholders) as his proxy/ies to attend and vote. The shareholder's proxy may exercise the following rights as the proxy of shareholder:

- (1) To speak in the shareholders' general meeting on behalf of the shareholder;
- (2) To request the casting of ballots by himself or jointly with others; and
- (3) To vote by show of hands or by ballot unless otherwise provided in applicable listing rules or other securities laws and regulations; however, if the appointed representative exceeds one person, the shareholder's representative can only exercise the voting rights by casting ballots.

If the shareholder is a designated clearing house according to Hong Kong Law Chapter 420 of the Securities and Futures (Clearing House) Ordinance, it may appoint any person (one or more than one) deemed appropriate to be its proxy in any shareholders' general meeting, or any kinds of general meeting. However, for one or more persons so appointed, the appointment letter shall state the number of shares and classes of shares represented by the proxy. The person so appointed has the right to represent the clearing house (or its proxy) to exercise its rights as if the clearing house is an individual shareholder of the Company.

**Article 72 (original)**

When shareholders (including proxies) vote in shareholders' general meetings by exercising their voting rights in accordance with the number of shares held, they have one vote for each share held.

Where any shareholder is, pursuant to the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Listing Rules"), required to abstain from voting on any particular resolution 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 72 (amended)**

When shareholders (including proxies) vote in shareholders' general meetings by exercising their voting rights in accordance with the number of shares held, they have one vote for each share held. However, shares held by the Company have no voting right and such portion of shares shall not be counted in the total number of shares with the right to vote in shareholders' general meetings.

When any resolutions in respect of connected transaction is to be considered in shareholders' general meetings, the related shareholders shall abstain from voting and the number of voting shares they represented shall not be counted in the total number of effective votes. The related shareholders may, if unable to abstain from voting under special circumstances, cast their votes in accordance with the normal procedures upon the unanimous consent of other non-related shareholders.

When any resolutions in respect of the Company's provision of guarantees to its shareholders or de factor controller is to be considered in shareholders' general meetings, shareholders being controlled by the aforesaid shareholders or de factor controller shall abstain from voting on such resolution and such resolution shall be passed by the majority of the votes cast by other shareholders attending the meeting.

Where any shareholder is, pursuant to the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Listing Rules"), required to abstain from voting on any particular resolution 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 77 (original)**

The following matters shall be approved by ordinary resolution in the shareholders' general meeting:

- (1) Report of the board of directors and the supervisory committee;
- (2) Proposals for profit distribution and for recovery of losses prepared by the board of directors;
- (3) Termination of, and remuneration and payment of remuneration for members of the board of directors and the supervisory committee;
- (4) The Company's proposed annual financial budget, final accounts, balance sheet, profit and loss report and other financial reports; and
- (5) Matters other than those to be passed by special resolution according to the laws, administrative regulations and the Articles of Association.

**Article 77 (amended)**

The following matters shall be approved by ordinary resolution in the shareholders' general meeting:

- (1) Report of the board of directors and the supervisory committee;
- (2) Proposals for profit distribution and for recovery of losses prepared by the board of directors;
- (3) Termination of, and remuneration and payment of remuneration for members of the board of directors and the supervisory committee;
- (4) The Company's proposed annual financial budget, final accounts, balance sheet, profit and loss report and other financial reports;
- (5) Equity incentive schemes; and
- (6) Matters other than those to be passed by special resolution according to the laws, administrative regulations and the Articles of Association.

**Article 78 (original)**

The following matters shall be approved by special resolution in the shareholders' general meeting:

- (1) To increase, or decrease the Company's share capital, issue any class of shares, warrants or other similar securities instruments;
- (2) To issue company bonds;
- (3) To decide on division, merger, dissolution or liquidation of the Company;
- (4) To amend the Company's Articles of Association;
- (5) Matters of material importance to the Company which the shareholders' general meeting has decided, by ordinary resolution, should be approved by special resolution; and
- (6) Any other matters as required under the Listing Rules.

**Article 78 (amended)**

The following matters shall be approved by special resolution in the shareholders' general meeting:

- (1) To increase, or decrease the Company's share capital, issue any class of shares, warrants or other similar securities instruments;
- (2) To issue company bonds;
- (3) To decide on division, merger, dissolution or change in corporate form of the Company;
- (4) To amend the Company's Articles of Association;
- (5) Any matters in respect of the Company's purchase or sale of material assets accounting for more than thirty percent (30%) of the Company's latest audited total assets within one (1) year;
- (6) Any matters in respect of guarantees provided after the total amount of external guarantees provided by the Company has reached or exceeded thirty percent (30%) of the Company's latest audited total assets; and
- (7) Matters of material importance to the Company which the shareholders' general meeting has decided, by ordinary resolution, should be approved by special resolution; and
- (8) Any other matters as required under the laws, administrative regulations and rules and the Listing Rules.

**Article 79 (original)**

Shareholders seeking to convene an extraordinary or class shareholders' meeting shall follow the following procedures:

- (1) Two or more shareholders holding ten percent (10%) or more of voting shares in the proposed meeting may sign one or several written requests with similar content and format to request the board of directors to convene an extraordinary general meeting or class shareholders' meeting and list the resolutions to be considered. After receipt of such written request, the board of directors shall convene the extraordinary general meeting or class shareholders' meeting as soon as possible. The amount of shareholding is calculated on the date of the shareholders making the written request.
- (2) If the board of directors does not issue a notice for convening a meeting after thirty (30) days of receipt of the above written request, the shareholders making the request may convene a meeting by themselves within four (4) months after the board's receipt of the notice. The procedures of convening the meeting shall closely follow that of the general meeting convened by the board of directors.

The reasonable expenses incurred by the shareholders who convene the meeting by themselves as a result of the board of directors' failure to do so shall be borne by the Company, and to be deducted from the money due to the negligent director.

**Article 79 (amended)**

Shareholders seeking to convene an extraordinary or class shareholders' meeting shall follow the following procedures:

- (1) Two or more shareholders holding ten percent (10%) or more of voting shares in the proposed meeting may sign one or several written requests with similar content and format to request the board of directors to convene an extraordinary general meeting or class shareholders' meeting and list the resolutions to be considered. After receipt of such written request, the board of directors shall convene the extraordinary general meeting or class shareholders' meeting as soon as possible. The amount of shareholding is calculated on the date of the shareholders making the written request.
- (2) If the board of directors does not issue a notice for convening a meeting after thirty (30) days of receipt of the above written request, the shareholders making the request may propose to the supervisory committee for convening an extraordinary shareholders' general meeting or a class shareholders' meeting with reference to the provisions in item (1) referred to above. If the supervisory committee fails to convene and preside over an extraordinary shareholders' general meeting or a class shareholders' meeting within five (5) days upon the receipt of the aforesaid written request, shareholders making such request and singly or jointly holding ten percent (10%) or more of the shares of the Company for a consecutive period of ninety (90) days or above may convene a meeting by themselves within four (4) months after the board's receipt of the notice. The procedures of convening the meeting shall closely follow that of the general meeting convened by the board of directors.

The reasonable expenses incurred by the shareholders who convene the meeting by themselves as a result of the board of directors' failure to do so shall be borne by the Company, and to be deducted from the money due to the negligent director.

**Article 80 (original)**

General meetings shall be convened by the board of directors and presided over by the chairman of the board who shall act as the chairman of the meetings. When the chairman cannot or fails to perform such duty, the vice chairman shall take the chair to preside as chairman of such meetings. When the vice chairman cannot or fails to perform such duty, a director elected by more than half of the directors shall take the chair to preside as chairman of such meetings. If no director is elected to preside over the meeting and play the role of chairman of the meeting by more than half of the directors, the shareholders attending the meeting may elect one of them to act as chairman. If, for any reason, the shareholders cannot elect a chairman, the shareholder (including proxy) attending the meeting with the highest number of voting shares shall be the chairman.

In the event that the board of directors cannot or fails to perform the duty for convening a general meeting, the board of supervisors shall act timely to convene and chair the meeting. In the event that the board of supervisors cannot convene and chair the meeting, shareholders separately or jointly holding 10% or more of the shares of the Company for a consecutive period of ninety (90) days or above may convene and chair the meeting themselves.

**Article 80 (amended)**

General meetings shall be convened by the board of directors and presided over by the chairman of the board who shall act as the chairman of the meetings. When the chairman cannot or fails to perform such duty, the vice chairman shall take the chair to preside as chairman of such meetings. When the vice chairman cannot or fails to perform such duty, a director elected by more than half of the directors shall take the chair to preside as chairman of such meetings. If no director is elected to preside over the meeting and play the role of chairman of the meeting by more than half of the directors, the shareholders attending the meeting may elect one of them to act as chairman. If, for any reason, the shareholders cannot elect a chairman, the shareholder (including proxy) attending the meeting with the highest number of voting shares shall be the chairman.

In the event that the board of directors cannot or fails to perform the duty for convening a general meeting, the board of supervisors shall act timely to convene and chair the meeting. In the event that the board of supervisors cannot convene and chair the meeting, shareholders separately or jointly holding 10% or more of the shares of the Company for a consecutive period of ninety (90) days or above may convene and chair the meeting themselves.

Shareholders' general meetings that are convened by the supervisory committee itself shall be presided over by the chairman of the supervisory committee. In the event that the chairman is unable or unwilling to perform the duty, a supervisor jointly elected by more than one-half (1/2) of the supervisors shall preside over the meeting.

Shareholders' general meetings that are convened by the shareholders themselves shall be presided over by a representative as elected by the convener.

**Article 94 (original)**

Directors are elected in shareholders' general meetings. The term of service is three years. After completion of a term, a director can stand for re-election.

Any notice of intention to propose a person for election as a director and any notice by such person of his willingness to be elected shall be given no earlier than the day after the despatch of the notice of the meeting appointed for such shareholders' meeting and no later than seven (7) days prior to the date of such meeting.

Chairman and vice chairman are elected and dismissed by more than half of all of the directors. The term of service is three years. They can stand for re-election after their term is completed.

The shareholders' general meeting, in accordance with the premises of adhering to the relevant laws and administrative regulations, may dismiss any director whose term is not completed by ordinary resolution (any request for contract indemnity is not affected.)

Directors may tender resignation prior to the expiry of term of office. Directors shall tender a written resignation to the board of directors.

If the quorum of the board of the directors falls below the required number as a result of the resignation of a director, the former director shall perform the duties as a director in accordance with the laws, administrative regulations, department rules and the Articles of Association prior to the engagement of a new director.

Save as provided above, resignation of a director shall take effect upon the submission of a written resignation to the board of directors.

Directors need not hold any shares of the Company.

The chairman, vice chairman and the directors may hold the positions of general manager, deputy general manager and other senior management positions (except supervisors) at the same time.

**Article 94 (amended)**

Directors are elected in shareholders' general meetings. The term of service is three years. After completion of a term, a director can stand for re-election.

The term of office of directors shall commence on the date of their appointment and terminate upon expiry of the term of office of the current board of directors. In the event of failure to timely call for re-election on the expiry of term of office of directors, the original directors shall, prior to the assumption of office by re-elected directors, continue to perform their duties as directors in accordance with the provisions of the laws, administrative regulations, departmental rules and the Articles of Association.

Any notice of intention to propose a person for election as a director and any notice by such person of his willingness to be elected shall be given no earlier than the day after the despatch of the notice of the meeting appointed for such shareholders' meeting and no later than seven (7) days prior to the date of such meeting.

Chairman and vice chairman are elected and dismissed by more than half of all of the directors. The term of service is three years. They can stand for re-election after their term is completed.

The shareholders' general meeting, in accordance with the premises of adhering to the relevant laws and administrative regulations, may dismiss any director whose term is not completed by ordinary resolution (any request for contract indemnity is not affected.)

Directors may tender resignation prior to the expiry of term of office. Directors shall tender a written resignation to the board of directors.

If the quorum of the board of the directors falls below the required number as a result of the resignation of a director, the former director shall perform the duties as a director in accordance with the laws, administrative regulations, department rules and the Articles of Association prior to the engagement of a new director.

Save as provided above, resignation of a director shall take effect upon the submission of a written resignation to the board of directors.

Directors need not hold any shares of the Company.

The chairman, vice chairman and the directors may hold the positions of general manager, deputy general manager and other senior management positions (except supervisors) at the same time.

#### **Article 95 (original)**

The board of directors is responsible to the shareholders' general meeting and exercise the following powers:

- (1) to convene the shareholders' general meeting and report on its work to the meeting;
- (2) to implement the resolutions of the shareholders' general meeting;
- (3) to decide on the Company's business and investment plans;
- (4) to formulate the Company's proposed annual financial budget and final accounts;
- (5) to formulate the Company's proposals for distribution of profits and recovery of losses;
- (6) to formulate proposals for the increase or reduction of the Company's registered capital and the issue of corporate bonds;
- (7) to prepare plans for the merger, division or dissolution of the Company;
- (8) to decide on the Company's internal management structure;
- (9) to appoint or dismiss the Company's general manager, and based on the general manager's recommendation, to appoint or dismiss deputy general manager and other senior management personnel (including chief financial officer), and to decide on their remuneration;

- (10) to formulate the Company's basic management system;
- (11) to formulate the plan to amend the Articles of Association;
- (12) to prepare the Company's plans for major acquisition or sale; and
- (13) other powers conferred by the Articles of Association and the shareholders' general meeting.

Other than sections 6, 7 and 11 in this article, which must be approved by more than two thirds of the directors, other sections above may be approved by more than half of the directors.

**Article 95 (amended)**

The board of directors is responsible to the shareholders' general meeting and exercise the following powers:

- (1) to convene the shareholders' general meeting and report on its work to the meeting;
- (2) to implement the resolutions of the shareholders' general meeting;
- (3) to decide on the Company's business and investment plans;
- (4) to formulate the Company's proposed annual financial budget and final accounts;
- (5) to formulate the Company's proposals for distribution of profits and recovery of losses;
- (6) to formulate proposals for the increase or reduction of the Company's registered capital, the issue of corporate bonds and other securities, and listing;
- (7) to prepare plans for the merger, division, dissolution or change in corporate form of the Company;
- (8) to decide on the Company's internal management structure;
- (9) to appoint or dismiss the Company's general manager, and based on the general manager's recommendation, to appoint or dismiss deputy general manager and other senior management personnel, and to decide on their remuneration;
- (10) to formulate the Company's basic management system;
- (11) to formulate the plan to amend the Articles of Association;
- (12) to prepare the Company's plans for major acquisition or sale;
- (13) to make proposals to shareholders' general meeting on the appointment, re-appointment or dismissal of accounting firms undertaking the audit of the Company; and
- (14) other powers conferred by the Articles of Association and the shareholders' general meeting.



Other than sections 6, 7 and 11 in this article, which must be approved by more than two thirds of the directors, other sections above may be approved by more than half of the directors.

**Article 97 (original)**

The chairman may exercise the following powers:

- (1) to preside over shareholders' general meetings and convene and preside over meetings of the board of directors;
- (2) to check on the implementation of the resolutions of the board of directors;
- (3) to sign the Company's securities; and
- (4) to exercise other powers authorised by the board of directors.

If the chairman is unable to perform his duties, he may appoint the vice chairman to act on his behalf.

**Article 97 (amended)**

The chairman may exercise the following powers:

- (1) to preside over shareholders' general meetings and convene and preside over meetings of the board of directors;
- (2) to check on the implementation of the resolutions of the board of directors;
- (3) to sign the Company's securities; and
- (4) to exercise other powers authorised by the board of directors.

The vice chairman shall assist the chairman in his work. If the chairman is unable or unwilling to perform his duties, the vice chairman shall act on his behalf. If the vice chairman is unable or unwilling to perform his duties, a director jointly elected by more than one-half (1/2) of the directors shall act on his behalf.

**Article 98 (original)**

The board of directors shall meet at least twice a year. The chairman convenes the meeting and shall notify all directors at least fifteen (15) days before the meeting. An extraordinary meeting of the board of directors may be convened for the consideration of emergency matters which are brought forward by two directors or one-third (1/3) or more of the directors or the general manager.

**Article 98 (amended)**

The board of directors shall meet at least twice a year. The chairman convenes the meeting and shall notify all directors at least ten (10) days before the meeting.

Shareholders representing ten percent (10%) or more of the voting rights, more than one-third (1/3) of the directors, the supervisory committee, two or more independent non-executive directors, or the general manager may propose for convening an extraordinary meeting of the board of directors. The chairman of the board of directors shall convene and preside over the meeting within ten (10) days upon the receipt of such proposal.

**Article 99 (original)**

Notices for the convening of meeting or extraordinary meeting of the board of directors can be delivered by the following methods:

- (1) If the venue and time of the regular meeting of the board of directors have been fixed by the board, then no notice is required to be sent;
- (2) If the board has not fixed the time and venue for the meeting, the chairman shall instruct the secretary for the board to serve notice of the time and venue of the board meeting by cable, telegraph, fax, special delivery or registered mail or by person to all directors and supervisors at least ten (10) days and at most fourteen (14) days prior to the meeting;
- (3) If a board meeting is required to consider urgent matters, the chairman shall instruct the secretary for the board to serve notice of the time, venue and form of the extraordinary board meeting by cable, telegraph, fax, special delivery or registered mail or by person to all directors and supervisors at least two (2) days and at most ten (10) days prior to the meeting;
- (4) Notices including agenda of the meeting shall be in Chinese, and in English additionally if necessary. Any director may decide to give up the right to receive notice of the meeting of the board;
- (5) A director, who attends to the meeting and has not shown disagreement on receiving notice of the meeting before attending the meeting or at the time of arriving, is deemed to have received notice;
- (6) The meeting and extraordinary meeting of the board of directors may be conducted by telephone conference or with the assistance of other similar communication facilities. If all the directors present can hear clearly the conversation from other directors through the above-mentioned media, all the participating directors are deemed to have attended the meeting in person;
- (7) The board of directors may accept a written resolution to replace a meeting of the board. However, the draft of such a resolution must be delivered by hand, mail, telegraph or fax to every director. If the board has sent the resolution to all the directors, and the number of directors who sign and agree to the resolution reaches the quorum and return the signed document to the secretary of the board by the above methods, such a resolution then becomes a resolution of the board, without having to convene a board meeting. However, if the listing stock exchange has other rules, then the Company shall abide by the rules of the stock exchange;

- (8) Written resolution signed and agreed by all directors respectively shall be deemed with similar effect as resolutions passed by meetings of the board of directors legally convened. Such written resolution may comprise one set or more documents, with each document signed by one or more directors. A resolution signed by directors or bearing the names of the directors and sent by telegram, telex, express mail, facsimile or by hand shall for the purpose of this clause be regarded as document signed by them.

**Article 99 (amended)**

Notices for the convening of regular or extraordinary meeting of the board of directors can be delivered by the following methods:

- (1) If the venue and time of the regular meeting of the board of directors have been fixed by the board, then no notice is required to be sent;
- (2) If the board has not fixed the time and venue for the regular meeting, the chairman shall instruct the secretary for the board to serve notice of the time and venue of the board meeting by cable, telegraph, fax, special delivery, registered mail, electronic mail or by person to all directors and supervisors at least ten (10) days prior to the meeting;
- (3) If an extraordinary board meeting is required to consider urgent matters, the chairman shall instruct the secretary for the board to serve notice of the time, venue and form of the extraordinary board meeting by cable, telegraph, fax, special delivery, registered mail, electronic mail or by person to all directors and supervisors at least two (2) days prior to the meeting;
- (4) Notices including agenda of the meeting shall be in Chinese, and in English additionally if necessary. Any director may decide to give up the right to receive notice of the meeting of the board;
- (5) A director, who attends to the meeting and has not shown disagreement on receiving notice of the meeting before attending the meeting or at the time of arriving, is deemed to have received notice;
- (6) The meeting and extraordinary meeting of the board of directors may be conducted by telephone conference or with the assistance of other similar communication facilities. If all the directors present can hear clearly the conversation from other directors through the above-mentioned media, all the participating directors are deemed to have attended the meeting in person;
- (7) The board of directors may accept a written resolution to replace a meeting of the board. However, the draft of such a resolution must be delivered by hand, mail, telegraph or fax to every director. If the board has sent the resolution to all the directors, and the number of directors who sign and agree to the resolution reaches the quorum and return the signed document to the secretary of the board by the above methods, such a resolution then becomes a resolution of the board, without having to convene a board meeting. However, if the listing stock exchange has other rules, then the Company shall abide by the rules of the stock exchange;

- (8) Written resolution signed and agreed by all directors respectively shall be deemed with similar effect as resolutions passed by meetings of the board of directors legally convened. Such written resolution may comprise one set or more documents, with each document signed by one or more directors. A resolution signed by directors or bearing the names of the directors and sent by telegram, telex, express mail, facsimile or by hand shall for the purpose of this clause be regarded as document signed by them.

**Article 100 (original)**

The quorum for the meeting of the board of directors is half or more of the directors (including proxies) present.

Each director has one vote. A board resolution must be passed by more than half of all the directors unless otherwise stipulated in this Articles of Association. In case of a tie, the chairman has an extra vote.

When a quarter (1/4) or more of the directors or two or more non-executive directors consider the provided information regarding the matters under discussion is not sufficient or the evidence is not clear, they may jointly suggest the adjournment of the meeting or the part under consideration. The board shall accept the suggestion.

When a director or any of his associates (as defined under the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Listing Rules") has a connected relationship with the board resolutions, he shall not be involved and shall abstain from voting in respect of the resolution and shall not exercise any voting rights on behalf of other directors. When counting attendance for quorum, that director shall not be counted.

**Article 100 (amended)**

The quorum for the meeting of the board of directors is half or more of the directors (including proxies) present.

Each director has one vote. A board resolution must be passed by more than half of all the directors unless otherwise stipulated in this Articles of Association. In case of a tie, the chairman has an extra vote.

When a quarter (1/4) or more of the directors or two or more non-executive directors (that is, directors, including independent non-executive directors, who are not employees of the Company) consider the provided information regarding the matters under discussion is not sufficient or the evidence is not clear, they may jointly suggest the adjournment of the meeting or the part under consideration. The board shall accept the suggestion.

When a director or any of his associates (as defined under the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Listing Rules") has a connected relationship with the board resolutions, he shall not be involved and shall abstain from voting in respect of the resolution and shall not exercise any voting rights on behalf of other directors. When counting attendance for quorum, that director shall not be counted.

**Article 105 (original)**

The secretary to the board of directors of the Company shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed by the board of directors. The primary responsibilities of the board secretary are:

- (1) to ensure that the Company has maintained complete constitution documents and records;
- (2) to ensure that the Company prepares and delivers those reports and documents required by competent authorities entitled thereto in accordance with law;
- (3) to ensure that the Company properly maintains registers of shareholders, and that persons entitled to the records and documents of the Company are furnished with such records and documents without delay; and
- (4) to perform other duties required by the laws, administrative regulations and the Articles of Association.

**Article 105 (amended)**

The secretary to the board of directors of the Company shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed by the board of directors. The primary responsibilities of the board secretary are:

- (1) to be responsible for preparing shareholders' general meetings and board of directors' meetings and maintaining documents to ensure that the Company has maintained complete constitution documents and records;
- (2) to ensure that the Company prepares and delivers those reports and documents required by competent authorities entitled thereto in accordance with law;
- (3) to be responsible for maintaining shareholders' information to ensure that the Company properly maintains registers of shareholders, and that persons entitled to the records and documents of the Company are furnished with such records and documents without delay;
- (4) to be responsible for coordinating and organizing the Company's information disclosure affairs to ensure that the information disclosure of the Company is timely, accurate, legitimate, true and complete; and
- (5) to perform other duties required by the laws, administrative regulations, listing rules and the Articles of Association.

**Article 107 (original)**

The Company shall have one general manager, and two assistant general managers. They are to be appointed and dismissed by the board of directors. The terms of service is three years, which may be renewed.

**Article 107 (amended)**

The Company shall have one general manager, and two assistant general managers. They are to be appointed and dismissed by the board of directors. The term of service is three years starting from the date of adoption of the resolution in respect of the appointment, which may be renewed upon re-appointment.

**Article 110 (original)**

The general manager and assistant general managers of the Company have the obligation to carry out their duties in honesty and with diligence according to the rules of the laws, administrative regulations and the Articles of Association.

**Article 110 (amended)**

The general manager of the Company have the obligation to carry out their duties in honesty and with diligence according to the rules of the laws, administrative regulations and the Articles of Association.

**Article 113 (original)**

The supervisory committee is made up of two external representatives and one employee representative. External representatives are elected and dismissed by the shareholders' general meeting. Employee representative is democratically elected and removed by the employees of the Company.

**Article 113 (amended)**

The supervisory committee is made up of two independent representatives (supervisors who are independent from the shareholders of the Company and hold no internal positions in the Company) and one employee representative. Independent representatives are elected and dismissed by the shareholders' general meeting. Employee representative is elected and removed by the employees of the Company through workers' congresses, trade union congresses and other forms of democratic elections.

**Article 114 (original)**

The directors, general manager and chief financial officer of the Company may not serve concurrently as supervisors.

**Article 114 (amended)**

The directors, general manager and other senior management of the Company may not serve concurrently as supervisors.

**Article 115 (original)**

The supervisory committee shall convene meetings at least once (1) every year. The chairman of the committee shall convene the meetings.

**Article 115 (amended)**

The supervisory committee shall convene meetings at least once (1) every six months and supervisors may propose for convening an extraordinary meeting of the supervisory committee. The chairman of the committee shall convene and preside over the meetings. If the chairman is unable or unwilling to perform the duty, a supervisor jointly elected by more than one-half (1/2) of the supervisors shall convene and preside over the meeting.

**Article 116 (original)**

The supervisory committee is responsible to the shareholders' general meeting and exercise the following powers in accordance with the law: It is to

- (1) review the company's finances;
- (2) supervise the directors, general manager and other senior management officers in their performance of their duties and to ascertain whether or not they have violated laws, administrative regulations or the Articles of Association;
- (3) require correction of those acts of directors, general manager or other senior management officers which are harmful to the Company's interests;
- (4) examine the finance reports, operating reports, profit distribution proposals and other financial information to be presented by the board to the shareholders' general meeting; if in doubt appoint certified accountants and chartered auditors in the name of the Company and to carry out audit;
- (5) propose the convening of extraordinary shareholders' general meeting;
- (6) deal with or take legal actions against directors on behalf of the Company; and
- (7) exercise other powers conferred by the Articles of Association and the shareholders' general meeting.

Supervisors shall attend meetings of the board of directors.

**Article 116 (amended)**

The supervisory committee is responsible to the shareholders' general meeting and exercise the following powers in accordance with the law: It is to

- (1) review the company's finances;
- (2) supervise the directors, general manager and other senior management officers in their performance of their duties and propose for the removal of those who have violated laws, administrative regulations or the Articles of Association;
- (3) require correction of those acts of directors, general manager or other senior management officers which are harmful to the Company's interests;

- (4) examine the finance reports, operating reports, profit distribution proposals and other financial information to be presented by the board to the shareholders' general meeting; if in doubt appoint certified accountants and chartered auditors in the name of the Company and to carry out audit;
- (5) propose the convening of extraordinary shareholders' general meeting and, when the board of directors fails to perform the duty to convene and preside over a shareholders' general meeting, convene and preside over the meeting;
- (6) make proposals to the shareholders' general meeting;
- (7) take legal actions against directors, the general manager and other senior management in accordance with the provisions of Article 152 of the "Company Law"; and
- (8) exercise other powers conferred by the Articles of Association and the shareholders' general meeting.

Supervisors shall attend meetings of the board of directors to raise questions or suggestions in respect of board resolutions.

**Article 117 (original)**

A written notice shall be given to all supervisors at least ten (10) days but at most fifteen (15) days prior to a supervisory committee meeting. A quorum for the supervisory committee meeting is more than two thirds (including 2/3) of the supervisors attending the meeting.

**Article 117 (amended)**

A written notice shall be given to all supervisors ten (10) days prior to a supervisory committee meeting. Supervisors attending the meeting who have not given notice of failure in receiving the notice prior to the meeting or when the meeting commences shall be considered to have informed of the meeting in accordance with the provisions referred to above. A quorum for the supervisory committee meeting is more than two thirds (including 2/3) of the supervisors attending the meeting.

**Article 124 (original)**

The directors, supervisors, general manager, and other senior management of the Company must adhere to the principle of integrity in carrying out their duties, and should not place themselves in a position where personal interests and company interests are in conflict. This principle includes (but not limited to) the following obligations:

- (1) to act in all integrity starting from the point of greatest interest to the Company;
- (2) to exercise rights within the scope of duties and not to exceed it;
- (3) to handle personally the discretionary power given to him, and not be manipulated by others; not to transfer the discretionary power to others without the consent of laws and administrative regulations or the knowledge of the shareholders' general meeting;



- (4) to treat the same class of shareholders equally and to treat different classes of shareholders fairly;
- (5) unless otherwise permitted by the Articles of Association or with the knowledge of the general shareholders' meeting, not to enter into contract, transaction or arrangement with the Company;
- (6) not to use company assets to gain personal profits by any means without the agreement and knowledge of the general shareholders' meeting;
- (7) not to use their position to accept bribes or other illegal income; not use any means to misappropriate company assets, including (but not limited to) beneficial opportunities;
- (8) not to receive commission for dealing with the Company unless with the agreement and the knowledge of the general shareholders' meeting;
- (9) to adhere to the Articles of Association, to carry out duties honestly, to protect the interests of the Company, and not to use their position and powers in the Company to achieve personal gains;
- (10) without the agreement and knowledge of the general shareholders' meeting, not to compete with the Company in any way;
- (11) not to misappropriate company funds or lend company funds to others; not to store company assets in their own personal name or use the names of others for storage; not to use company assets as guarantee for the debts of company shareholders or other personal debts; and
- (12) without the agreement and knowledge of the general shareholders' meeting, not to disclose confidential information obtained during their tenure of service, unless the purpose is for the Company's interest and not for taking advantage of the information obtained; however, disclosure may be made to the courts or other government regulatory authority under the following conditions: The disclosure is
  - i. required by the law;
  - ii. required by public interests; or
  - iii. required by the personal interest of that particular director, supervisor, general manager, or any other senior management officer.

**Article 124 (amended)**

The directors, supervisors, general manager, and other senior management of the Company must adhere to the principle of integrity in carrying out their duties, and should not place themselves in a position where personal interests and company interests are in conflict. This principle includes (but not limited to) the following obligations:

- (1) to act in all integrity starting from the point of greatest interest to the Company;

- (2) to exercise rights within the scope of duties and not to exceed it;
- (3) to handle personally the discretionary power given to him, and not be manipulated by others; not to transfer the discretionary power to others without the consent of laws and administrative regulations or the knowledge of the shareholders' general meeting;
- (4) to treat the same class of shareholders equally and to treat different classes of shareholders fairly;
- (5) unless otherwise permitted by the Articles of Association or with the knowledge of the general shareholders' meeting, not to enter into contract, transaction or arrangement with the Company;
- (6) not to use company assets to gain personal profits by any means without the agreement and knowledge of the general shareholders' meeting;
- (7) not to use their position to accept bribes or other illegal income; not use any means to misappropriate company assets, including (but not limited to) beneficial opportunities;
- (8) not to receive commission for dealing with the Company unless with the agreement and the knowledge of the general shareholders' meeting;
- (9) to adhere to the Articles of Association, to carry out duties honestly, to protect the interests of the Company, and not to use their position and powers in the Company to achieve personal gains;
- (10) without the agreement and knowledge of the general shareholders' meeting, not to take advantage of his office in seeking business opportunities belonging to the Company for himself or others, not to operate for himself or on behalf of others businesses same as those of the Company and not to compete with the Company in any way;
- (11) not to misappropriate company funds; not to store company assets in their own personal name or use the names of others for storage;
- (12) without the agreement of the general shareholders' meeting and the board of directors, not to lend company funds to others and not to use properties of the Company as guarantee for others; and
- (13) without the agreement and knowledge of the general shareholders' meeting, not to disclose confidential information obtained during their tenure of service, unless the purpose is for the Company's interest and not for taking advantage of the information obtained; however, disclosure may be made to the courts or other government regulatory authority under the following conditions: The disclosure is
  1. required by the law;
  2. required by public interests; or

3. required by the personal interest of that particular director, supervisor, general manager, or any other senior management officer.

**Article 128 (original)**

When the directors, supervisors, general manager or other senior management officers of the Company are/is directly or indirectly in an important conflict of interest with the Company's contracts, transactions, or arrangements that are signed or in the process of negotiation, whether or not the related matter must be approved by the board of directors under normal conditions, the directors, supervisors, general manager or other senior management officers shall report to the board of directors disclosing the nature and seriousness of such a conflict of interest. (Employment contracts between the Company and its directors, supervisors, general manager and other senior management officers are excepted.)

Unless the director, supervisor, general manager, or other senior management officer of the Company involved in the conflict of interest discloses to the board of directors according to the requirement of the previous section of this article, and that person is not counted in the quorum, and the relevant matter has not been approved in the board meeting that he is participating, the board has the right to cancel the contract, transaction or arrangement; excepting the case when the counter party is a friendly client who does not know the director, supervisor, general manager or other senior management officer of the Company was in breach of his obligations.

When the connected person of the director, supervisor, general manager, or other senior management officer of the Company has a conflict of interest in certain contract, transaction or arrangement, the related director, supervisor, general manager or other senior management officer shall also be considered as having a conflict of interest.

Directors may not vote for contract, transaction or arrangement where material personal interest is involved and may not be counted in the quorum.

**Article 128 (amended)**

When the directors, supervisors, general manager or other senior management officers of the Company are/is directly or indirectly in an important conflict of interest with the Company's contracts, transactions, or arrangements that are signed or in the process of negotiation, whether or not the related matter must be approved by the board of directors under normal conditions, the directors, supervisors, general manager or other senior management officers shall report to the board of directors disclosing the nature and seriousness of such a conflict of interest. (Employment contracts between the Company and its directors, supervisors, general manager and other senior management officers are excepted)

Directors may not vote for any contract, transaction or arrangement in which they or any of their related persons (as defined in the Listing Rules) have a material interest which are approved by resolution of the board of directors or any other relevant recommendations and may not be counted in the quorum.

Unless the director, supervisor, general manager, or other senior management officer of the Company involved in the conflict of interest discloses to the board of directors according to the requirement of the first section of this article, and that person is not counted in the quorum, and the relevant matter has not been approved in the board meeting that he is participating, the board has the

right to cancel the contract, transaction or arrangement; excepting the case when the counter party is a friendly client who does not know the director, supervisor, general manager or other senior management officer of the Company was in breach of his obligations.

When the connected person of the director, supervisor, general manager, or other senior management officer of the Company has a conflict of interest in certain contract, transaction or arrangement, the related director, supervisor, general manager or other senior management officer shall also be considered as having a conflict of interest.

**Article 136 (original)**

The Company shall, with prior approval of the general shareholders' meeting, enter into a contract in writing with a director or supervisor, wherein his emoluments are stipulated, including:

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

Except under a contract entered into in accordance with the foregoing, no proceedings may be brought by a director or supervisor against the Company for anything due to him in respect of the above matters.

**Article 136 (amended)**

The Company shall, with prior approval of the general shareholders' meeting, enter into a contract in writing with a director or supervisor, wherein his emoluments are stipulated, including:

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

Except under a contract entered into in accordance with the foregoing, no proceedings may be brought by a director or supervisor against the Company for anything due to him in respect of the above matters.

The Company shall disclose to shareholders remuneration payable to directors, supervisors and senior management on a regular basis.

**Article 139 (original)**

The Company shall prepare financial reports at the end of each financial year, and conduct audit according to the law.

The Company's financial reports include the following financial accounting reports and appendices:

- (1) balance sheet of assets and liabilities;
- (2) profit and loss account;
- (3) report of change in financial conditions;
- (4) footnotes to financial reports;
- (5) distribution of profit report.

The Company uses the western calendar as financial year which starts on the 1st January and ends on the 31st December every year.

**Article 139 (amended)**

The Company shall prepare financial reports at the end of each financial year, and conduct audit according to the law.

**Article 141 (original)**

The financial reports and reports of the board of directors of the Company shall be deposited at the Company for the shareholders' inspection not later than twenty (20) days before the annual general meeting. Each shareholder shall be entitled to receive the financial statements referred to in this article.

The Company shall send by prepaid mail twenty-one (21) days before the annual general meeting the above reports to each shareholder of overseas listed foreign shares. The recipients' addresses shall be in the register of shareholders.

**Article 141 (amended)**

The financial reports and reports of the board of directors of the Company shall be deposited at the Company for the shareholders' inspection not later than twenty (20) days before the annual general meeting. Each shareholder shall be entitled to receive the financial statements referred to in this article.

The Company shall send by prepaid mail twenty-one (21) days before the annual general meeting the above financial reports to each shareholder of overseas listed foreign shares. The recipients' addresses shall be in the register of shareholders. However, such reports may also be delivered or provided to shareholders of overseas listed foreign shares through the Company's website or methods as stipulated in the Listing Rules from time to time, provided that the laws, administrative regulations and listing rules of the stock exchange in which the Company's shares are listed are observed.

**Article 146 (original)**

The distribution of the profits after tax of the Company shall follow the following order:

- (1) recovery of losses;
- (2) provision for legal public provident fund;
- (3) provision for legal public welfare fund;
- (4) after approval by resolution of a general meeting, provision for provident fund as desired;  
and
- (5) payment of ordinary share dividends.

The board of directors shall confirm the proportion of the above-mentioned provisions of this article according to relevant regulations (if any). If no regulation exists, it is suggested to have the proportion approved by the general meeting. Before recovering for the losses, and providing legal public provident fund and public welfare fund, no distribution of share profit or any distribution by means of bonus issue is permitted.

**Article 146 (amended)**

The distribution of the profits after tax of the Company shall follow the following order:

- (1) recovery of losses;
- (2) provision for legal public provident fund;
- (3) after approval by resolution of a general meeting, provision for provident fund as desired;  
and
- (4) payment of ordinary share dividends.

The Company shall, in distributing after-tax profits for the current year, provide ten percent (10%) of the profits for legal public provident fund. Where the cumulative amount of the Company's legal public provident fund is more than fifty percent (50%) of the Company's registered capital, no further provision is needed.

Where the Company's legal public provident fund is not sufficient to make up losses of the Company in the previous year, profits for the current year shall be first used for making up losses before providing for legal public provident fund in accordance with the provisions in the previous section.

The Company may, after providing for legal public provident fund from the after-tax profits, provide for discretionary provident fund by resolution of the shareholders' general meeting.

After making up losses and providing for provident fund, the remaining profits of the Company shall be distributed in accordance with the proportion of shares held by the shareholders.

Where the shareholders' general meeting or the board of directors has violated provisions of the previous section by distributing profits to shareholders before making up losses and providing for legal public provident fund, shareholders shall return to the Company profits which have been distributed in contrary to the provisions.

Shares of the Company held by the Company shall not be involved in the distribution of profits.

**Article 148 (original)**

Public provident fund can be used only for the following purposes:

- (1) to recover losses;
- (2) to transfer to increase capital. The Company may, after approval by resolution of the general shareholders' meeting, transfer public provident fund into capital, and issue new shares or increase the par value of each share according to the ratio of the original shareholding. However, when legal public provident fund is transferred to increase capital, the amount remaining in the public provident fund shall not be less than twenty-five (25%) of the registered capital; and
- (3) to increase the production and operation scale of the Company.

**Article 148 (amended)**

The Company's public provident fund can be used for making up losses of the Company, expanding the production and operation of the Company or increasing the capital of the Company. However, capital reserve fund shall not be used for making up losses of the Company.

When transferring legal provident fund into capital, the remaining amount of the provident fund shall not be less than twenty-five percent (25%) of the Company's registered capital prior to the transfer.

**Article 149 (original)**

Unless approved by a special resolution of the general shareholders' meeting, the Company distributes share dividends once a year. After consideration by the board of directors of the Company's financial conditions and adherence to the relevant laws and regulations, shareholders may authorize the board of directors to distribute and pay interim dividends by an ordinary resolution of the general shareholders' meeting.

**Article 149 (amended)**

Dividends shall be distributed in accordance with the proportion of shares held by shareholders. Unless approved by a special resolution of the general shareholders' meeting, the Company distributes share dividends once a year. Dividend distribution proposals shall be passed by ordinary resolution of the shareholders' general meeting. After consideration by the board of directors of the Company's financial conditions and adherence to the relevant laws and regulations, shareholders may authorize the board of directors to distribute and pay interim dividends by an ordinary resolution of the general shareholders' meeting.

**Article 151 (original)**

The Company shall declare and pay share dividends and other monies to shareholders of domestic shares in Renminbi. Dividends shall be paid in Renminbi within two months of announcement. The Company shall declare and pay share dividends and other monies to shareholders of overseas listed foreign shares in Renminbi. Dividends shall be paid within two months of announcement in foreign currency. The exchange rate shall be calculated as the average closing exchange rate between Hong Kong dollars and Renminbi published by the Bank of China for the five working days before the date of announcement of dividends or the payment date.

The foreign currency required to pay dividends to shareholders of overseas listed foreign shares shall be obtained according to the rules of relevant exchange control bodies of the State.

Upon the authorization of the general shareholders' meeting, the board of directors may decide to distribute interim cash or share dividends.

**Article 151 (amended)**

The Company shall declare and pay share dividends and other monies to shareholders of domestic shares in Renmenbi. Dividends shall be paid in Renmenbi within two months of announcement. The Company shall declare and pay share dividends and other monies to shareholders of overseas listed foreign shares in Renmenbi. Dividends shall be paid within two months of announcement in Hong Kong dollars. The exchange rate shall be calculated as the average closing exchange rate between Hong Kong dollars and Renmenbi published by the Bank of China for the five working days before the date of announcement of dividends or the payment date.

The Hong Kong dollars required to pay dividends to shareholders of overseas listed foreign shares shall be obtained according to the rules of relevant exchange control bodies of the State.

Upon the authorization of the general shareholders' meeting, the board of directors may decide to distribute interim cash or share dividends.

**Article 161 (original)**

The general shareholders' meeting decides whether the Company appoints, dismisses, or discontinues the servicing auditors, and reports to the institution in charge of securities administration in the State Council for filing.



**Article 161 (amended)**

The general shareholders' meeting decides whether the Company appoints, dismisses, or discontinues the servicing auditors.

**Article 165 (original)**

The employees of the Company have the right to organize their union and participate in union activities according to the "PRC, PRC Labour Union Law."

**Article 165 (amended)**

Deleted

**Article 166 (original)**

The Company shall pay 2% of actual wages paid to employee to the union fund every month. The fund is for use by the company union according to the "Methods of Usage of Union Fund" of China National Union.

The Company shall administer the systems for labour management, human resources management, employee wages, welfare and social insurance, according to the relevant laws and administrative regulations of the State.

**Article 166 (amended)**

Deleted

**Article 168 (original)**

Company merger can be achieved by two means, absorption and new entity for merger.

For company merger, the involved parties shall sign the merger agreement and prepare the balance sheets and inventory of assets. The Company shall advise creditors within ten (10) days of the merger resolution, and publish in newspaper the merger notice at least three times within thirty (30) days. The creditor may request the Company to settle the liabilities or provide the relevant guarantee within 30 days from receiving the notice or within 45 days from the announcement if the notice is not received. After the merger, liabilities and debts of the merger parties shall be borne by the merged company or by the new company established after the merger.

**Article 168 (amended)**

Company merger can be achieved by two means, absorption and new entity for merger.

For company merger, the involved parties shall sign the merger agreement and prepare the balance sheets and inventory of assets. The Company shall advise creditors within ten (10) days of the merger resolution, and publish in newspaper the merger notice at least three times within thirty (30) days. The

creditor may request the Company to settle the liabilities or provide the relevant guarantee within thirty (30) days from receiving the notice or within forty-five (45) days from the announcement if the notice is not received.

After the merger, liabilities and debts of the merger parties shall be borne by the merged company or by the new company established after the merger.

**Article 169 (original)**

In a division, the assets shall be split in an appropriate manner.

In a company division, the involved parties shall sign the division agreement and prepare the balance sheets and inventory of assets. The Company shall advise creditors within ten (10) days of the division resolution, and publish in newspaper the division notice at least three times within thirty (30) days.

The debts of the Company before division shall be borne by the companies established after division jointly and severally according to the agreement.

**Article 169 (amended)**

In a division, the assets shall be split in an appropriate manner.

In a company division, the involved parties shall sign the division agreement and prepare the balance sheets and inventory of assets. The Company shall advise creditors within ten (10) days of the division resolution, and publish in newspaper the division notice at least three times within thirty (30) days.

The debts of the Company before division shall be borne by the companies established after division jointly and severally according to the agreement, save as otherwise agreed in writing between the Company and the creditor in respect of debt settlement before division.

**Article 171 (original)**

The Company shall be dissolved and liquidated upon the occurrence of any of the following events:

- (1) when the general shareholders' meeting resolves that the Company should be dissolved;
- (2) when dissolution is necessary as a result of the merger or division of the Company;
- (3) when the Company is declared to be insolvent according to the law because it is unable to pay its debts as they fall due; and
- (4) when the business license is revoked, the Company is ordered to be closed down or revoked due to reasons of its violation of laws or administrative regulations.

**Article 171 (amended)**

The Company shall be dissolved and liquidated upon the occurrence of any of the following events:

- (1) when the general shareholders' meeting resolves that the Company should be dissolved;
- (2) when dissolution is necessary as a result of the merger or division of the Company;
- (3) when the Company is declared to be insolvent according to the law because it is unable to pay its debts as they fall due;
- (4) when the business license is revoked, the Company is ordered to be closed down or revoked due to reasons of its violation of laws or administrative regulations; and
- (5) when the Company is dissolved by the People's Court in accordance with Article 183 of the "Company Law".

**Article 172 (original)**

In the event when the Company is dissolved according to section (1), a liquidation team shall be established within fifteen (15) days. Its members shall be selected by the general shareholders' meeting by an ordinary resolution.

In the event when the Company is dissolved according to section (3), the People's Court shall form a liquidation team comprising of shareholders, relevant authorities and professionals in accordance with the law to proceed with the liquidation.

In the event when the Company is dissolved according to section (4), the relevant supervisory authorities shall form a liquidation team comprising shareholders, relevant authorities and professionals to proceed with the liquidation.

**Article 172 (amended)**

In the event when the Company is dissolved according to section (1), (4) and (5), a liquidation team shall be established within fifteen (15) days. Its members shall be selected by the general shareholders' meeting by an ordinary resolution. Where the liquidation team has not been established within the specified period, the creditor may apply to the People's Court for appointment of relevant persons to form a liquidation team for liquidation.

In the event when the Company is dissolved according to section (2), liquidation shall be undertaken by all parties concerned in accordance with the contracts signed at the time of merger and division.

In the event when the Company is dissolved according to section (3), the People's Court shall form a liquidation team comprising of shareholders, relevant authorities and professionals in accordance with the law to proceed with the liquidation.

**Article 174 (original)**

The liquidation team shall notify creditors within ten (10) days after its establishment, and shall publish notices in newspapers at least three (3) times within sixty (60) days. The liquidation team shall register all debts.

Creditors shall submit its claim to the liquidation team within thirty (30) days upon receipt of the written notice, or within forty-five (45) days of public notice if no written notice is received. When creditors submit their claims, they shall explain the relevant matters of the debt, and provide proof thereof. The liquidation team shall register the debts.

**Article 174 (amended)**

The liquidation team shall notify creditors within ten (10) days after its establishment, and shall publish notices in newspapers at least three (3) times within sixty (60) days.

Creditors shall submit its claim to the liquidation team within thirty (30) days upon receipt of the written notice, or within forty-five (45) days of public notice if no written notice is received. When creditors submit their claims, they shall explain the relevant matters of the debt, and provide proof thereof. The liquidation team shall register the debts.

**Article 175 (original)**

The liquidation team shall exercise the following powers during the period of liquidation: It shall

- (1) process company assets, and to prepare a balance sheet and an inventory of assets;
- (2) notify creditors by notice or by public announcement;
- (3) handle business related to the liquidation not yet completed by the Company;
- (4) pay taxes due;
- (5) process liabilities and debts;
- (6) handle remaining assets after payment of debts; and
- (7) initiate civil litigation on behalf of the Company.

**Article 175 (amended)**

The liquidation team shall exercise the following powers during the period of liquidation: It shall

- (1) process company assets, and to prepare a balance sheet and an inventory of assets;
- (2) notify creditors by notice or by public announcement;

- (3) handle business related to the liquidation not yet completed by the Company;
- (4) pay taxes due and taxes incurred in the course of liquidation;
- (5) process liabilities and debts;
- (6) handle remaining assets after payment of debts; and
- (7) initiate civil litigation on behalf of the Company.

**Article 176 (original)**

After processing company assets, and preparing the balance sheet and inventory of assets, the liquidation team shall formulate a liquidation plan, and report to general shareholders' meeting or the People's Court for confirmation.

Liquidation expenses shall have priority to be deducted from company assets prior to repayment of debts to creditors.

After the Company is dissolved by resolution of the general shareholders' meeting, or declared bankrupt according to the law, or ordered closed, no person can handle company assets without the permission of the liquidation team.

If assets of the Company are sufficient to repay debts, company debts shall be repaid after payment of liquidation expenses, employee wages, labour insurance, statutory compensation and taxes.

The remaining assets after distribution in the previous paragraph shall be distributed to shareholders according to the class and proportion of their shares:

- (1) to pay par value of preferred shares; if money is not sufficient to pay all the preferred shares, the money shall be distributed on a pro rata basis;
- (2) to distribute to the ordinary shareholders on a pro rata basis.

During the processing, the company cannot conduct new business.

**Article 176 (amended)**

After processing company assets, and preparing the balance sheet and inventory of assets, the liquidation team shall formulate a liquidation plan, and report to general shareholders' meeting or the People's Court for confirmation.

If assets of the Company are sufficient to repay debts, company debts shall be repaid after payment of liquidation expenses, employee wages, social insurance, statutory compensation and taxes.

The remaining assets after distribution in the previous paragraph shall be distributed to shareholders according to the class and proportion of their shares.

The Company shall not conduct any new business activities in the course of liquidation.

**Article 182 (original)**

The Company shall purchase insurance cover from China Peoples Insurance Company, or other companies registered in China or permitted by the Chinese law to provide insurance service to Chinese companies.

The board of directors, after consulting the operations of other similar companies in China as based on conventions in China and legal requirements, shall decide on the type of insurance, the amount of insurance, and their condition as well as the term of cover.

**Article 182 (amended)**

Deleted

**Article 183 (original)**

The Company's systems for labour management, personnel management, wages and benefits and social insurance are formulated according to the laws and administrative regulations of China.

The Company appoints different classes of management officers. For ordinary employees, the Company uses the contract system. The Company can decide by itself the deployment of staff and possesses the right to hire by itself, as well as to dismiss management officers and employees according to administrative regulations and contracts.

The Company has the right to decide on the salaries, wages and benefits of its various classes of management officers and employees, according to its own economic interest while within the scope of the relevant administrative regulations.

The Company arranges medical insurance, retirement insurance and unemployment insurance for its management officers and employees according to the relevant regulations of Central and Local authorities and complies with the laws, administrative regulations and other relevant regulations on retirement, unemployment and labour insurance and labour protection.

**Article 183 (amended)**

Deleted

**Article 187 (original)**

There was no such provision

**Article 187 (amended)**

The Articles of Association shall be interpreted by the board of directors.

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## NOTICE OF THE ANNUAL GENERAL MEETING

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# 海南美蘭國際機場股份有限公司 Hainan Meilan International Airport Company Limited\*

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

(Stock Code: 357)

## NOTICE OF THE ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an annual general meeting (the “**Annual General Meeting**”) of Hainan Meilan International Airport Company Limited (the “**Company**”) will be held at 10:00 a.m. on 29 May 2012 (Tuesday) in the meeting room of the Company on 3rd Floor, Office Building of Meilan Airport, Haikou City, Hainan Province, the People's Republic of China (the “**PRC**”) for the purpose of considering and, if thought fit, passing the following resolutions:

### BY WAY OF ORDINARY RESOLUTIONS

1. To consider and approve the working report of the board of directors of the Company for the year ended 31 December 2011;
2. To consider and approve the working report of the supervisory committee of the Company for the year ended 31 December 2011;
3. To consider and approve the audited financial statements of the Company and its subsidiaries as at and for the year ended 31 December 2011;
4. To consider and approve that the Company does not make final dividend distribution for the year ended 31 December 2011;
5. To consider and approve the appointment of PricewaterhouseCoopers Zhong Tian CPAs Company Limited as the Company's auditors, who will hold office until the conclusion of the next annual general meeting, and to authorise the chairman of the board of directors of the Company to determine their remunerations;
6. To consider and approve the annual remuneration proposal for the Company's directors and supervisors for the year 2012;
7. to consider and approve the re-election of Mr. Hu Wentai as a non-executive director of the Company, to authorise the board of directors of the Company to determine his remuneration and to authorise the chairman of the board of directors or any executive director of the Company to execute a service contract or such other documents or supplemental agreements or deeds on behalf of the Company;

\* For identification purposes only

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## NOTICE OF THE ANNUAL GENERAL MEETING

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8. To consider and approve proposals (if any) put forward at such meeting by any shareholder(s) holding 5 per cent or more of the shares carrying the right to vote at such meeting.

### BY WAY OF SPECIAL RESOLUTIONS

9. “**THAT** the proposal by the board of directors of the Company (the “Board”) to amend the articles of association of the Company in the manner as set out in the circular of the Company dated 10 April 2012 to the shareholders of the Company, of which this notice forms part, be and is hereby approved, and the Board be and is hereby authorised to do all such things as necessary in respect of the amendments pursuant to the requirements (if any) under domestic or overseas laws or under the rules of any stock exchange on which any securities of the Company are listed.”
10. To consider and approve proposals (if any) put forward at such meeting by any shareholder(s) holding 5 per cent or more of the shares carrying the right to vote at such meeting.

By the order of the Board  
**Hainan Meilan International Airport Company Limited\***  
**Liang Jun**  
*Chairman*

Hainan, the PRC  
10 April 2012

*As at the date of this notice, there are eleven directors on the Board. The Board comprises of three executive directors, namely Mr. Liang Jun, Mr. Dong Zhanbin and Ms. Xing Xihong, and four non-executive directors, namely Mr. Hu Wentai, Mr. Zhang Han'an, Mr. Chan Nap Kee Joseph and Mr. Yan Xiang, and four independent non-executive directors, namely Mr. Xu Bailing, Mr. Fung Ching Simon, Mr. George F Meng and Mr. Feng Da'an.*

*Notes:*

- (A) **The H share register of the Company will be closed from Monday, 30 April 2012 to Tuesday, 29 May 2012 (both days inclusive), during which period no transfer of H shares will be effected. In order to be entitled to attend and vote at the Annual General Meeting (or any adjournment thereof) on Tuesday, 29 May 2012, share transfer documents should be lodged with the Company's H shares share registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712–1716, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 27 April 2012 (Friday).**
- (B) Holders of the overseas listed foreign shares (in the form of H shares) of the Company whose names appear on the Company's register of members maintained by Computershare Hong Kong Investor Services Limited at the close of business on Monday, 30 April 2012 are entitled to attend and vote at the Annual General Meeting after complying with the necessary registration procedures.



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## NOTICE OF THE ANNUAL GENERAL MEETING

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- (C) Holders of H shares and domestic shares of the Company, who intend to attend the Annual General Meeting, must complete and return the reply slips for attending the Annual General Meeting to the Secretary Office to the board of directors of the Company not later than 20 days before the date of the Annual General Meeting, i.e. no later than Wednesday, 9 May 2012. Holders of H shares and domestic shares of the Company can deliver the reply slips by hand, by post or by facsimile.

Details of the Secretary Office to the board of directors of the Company are as follows:

Office Building of Meilan Airport  
Haikou City  
Hainan Province  
PRC  
Tel: (86-898) 6576 2009  
Fax: (86-898) 6576 2010

- (D) Each holder of H shares who has the right to attend and vote at the Annual General Meeting (or any adjournment thereof) is entitled to appoint in writing one or more proxies, whether a shareholder of the Company or not, to attend and vote on his behalf at the Annual General Meeting. A proxy of a shareholder who has appointed more than one proxy may only vote on a poll.
- (E) The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorized in writing. If that instrument is signed by an attorney of the appointor, the power of attorney authorizing that attorney to sign, or other documents of authorization, must be notarially certified. The instrument appointing a proxy of any holder of H shares (being a body corporate) must be affixed with the corporate seal of such holder of H shares or duly signed by the chairman of its board of directors or by its authorized attorney. To be valid, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority, must be delivered to the Company's H shares share registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time for holding the Annual General Meeting or any adjournment thereof in order for such documents to be valid.
- (F) Each holder of domestic shares of the Company is entitled to appoint in writing one or more proxies, whether a shareholder of the Company or not, to attend and vote on his behalf at the Annual General Meeting. Notes (D) and (E) also apply to holders of domestic shares of the Company, except that the proxy form or other documents of authority must be delivered to Secretary Office to the board of directors of the Company, the address of which is set out in Note (C) above, not less than 24 hours before the time for holding the Annual General Meeting or any adjournment thereof in order for such documents to be valid.
- (G) If a proxy attends the Annual General Meeting on behalf of a shareholder, he should produce his ID card and the instrument signed by the proxy or his authorized representative, which specifies the date of its issuance. If the legal representative of the holder of legal person share(s) attends the Annual General Meeting, such legal representative should produce his ID card and valid documents evidencing his capacity as such legal representative. If a holder of legal person share(s) appoints a representative of a company other than its legal representative to attend the Annual General Meeting, such representative should produce his ID card and an authorization instrument affixed with the seal of the holder of the legal person shares and duly signed by its legal representative.
- (H) The Annual General Meeting is expected to last not more than one day. Shareholders or proxies attending the Annual General Meeting are responsible for their own transportation and accommodation expenses.
- (I) Pursuant to Rule 13.39 (4) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, any vote of shareholders at a general meeting must be taken by way of poll. Accordingly, the chairman of the Annual General Meeting will demand a poll in relation to all the proposed resolutions at the Annual General Meeting.
- (J) For the year 2012, the allowance standard (after tax) for directors and supervisors of the Company will be as follows: the allowance paid to the chairman of the board and executive directors will be RMB70,000 per person; the allowance paid to the non-executive directors will be RMB50,000 per person; the allowance paid to the independent non-executive directors will be RMB100,000 per person; the allowance paid to supervisors of the Company will be RMB20,000 per person.