

**ARTICLES OF ASSOCIATION  
OF  
SHANDONG BOAN BIOTECHNOLOGY CO., LTD.**

**山东博安生物技术股份有限公司**

Shandong Boan Biotechnology Co., Ltd.

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## CHAPTER 1 GENERAL PROVISIONS

**Article 1** In order to protect the legal rights and interests of the Company, its shareholders and creditors and to regulate the organization and activities of the Company, the Articles of Association are formulated in accordance with the Company Law of the People's Republic of China (中華人民共和國公司法) (the “**Company Law**”), the Securities Law of the People's Republic of China, the Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises (for Trial Implementation) (the “**Administration Measures for Trial Implementation**”), the relevant requirements of the State Council and the China Securities Regulatory Commission (“**CSRC**”) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), and other relevant provisions of laws, regulations and regulatory documents.

**Article 2** The Company is a joint stock limited company established in accordance with the Company Law and other relevant provisions.

Shandong Boan Biotechnology Co., Ltd. (山東博安生物技術有限公司) was established on December 30, 2013. The Company was established by means of promotion based on the change of Shandong Boan Biotechnology Co., Ltd. (山東博安生物技術有限公司) into a joint stock limited company as a whole under the laws of the PRC on March 23, 2021, and obtained the business license with a unified social credit code of 91370600090698018Y issued by Yantai Administration for Market Regulation (煙台市市場監督管理局). All the shareholders of the predecessor Shandong Boan Biotechnology Co., Ltd. (山東博安生物技術有限公司) are the promoters of the Company as follows: Shandong Luye Pharmaceutical Co., Ltd. (山東綠葉製藥有限公司), Yantai Bolian Investment Center (Limited Partnership) (煙台博聯投資中心(有限合夥)), Yantai Bosheng Investment Center (Limited Partnership) (煙台博晟投資中心(有限合夥)), Yantai Bofa Investment Center (Limited Partnership) (煙台博發投資中心(有限合夥)), SIP Sungent BioVenture Venture Capital Investment Partnership III (Limited Partnership) (蘇州工業園區新建元三期創業投資企業(有限合夥)), Jianyin Juyuan Investment Management (Beijing) Co., Ltd. (建銀聚源投資管理(北京)有限公司), Shenzhen BioResearch Investment Fund Limited Partnership (Limited Partnership) (深圳市柏奧瑞思投資合夥企業(有限合夥)), Qianhai Equity Investment Fund (Limited Partnership) (前海股權投資基金(有限合夥)), Qingdao Brill Aimei Investment Partnership (Limited Partnership) (青島博睿愛美投資合夥企業(有限合夥)), Yantai Blue Ocean Venture Capital Co., Ltd. (煙台市藍海創業投資有限公司), Zhongyuan Qianhai Equity Investment Fund (Limited Partnership) (中原前海股權投資基金(有限合夥)), Ningbo Meishan Free Trade Port District Brill Luoyi Equity Investment Partnership (Limited Partnership) (寧波梅山保稅港區博睿羅伊股權投資合夥企業(有限合夥)), Yantai Bohui Investment Partnership (Limited Partnership) (煙台伯匯投資合夥企業(有限合夥)), Shenzhen Qianhai Weiyang Investment Center (Limited Partnership) (深圳前海維陽投資中心(有限合夥)), Hainan Wensen Import and Export Trade Partnership (Limited Partnership) (海南文森進出口貿易合夥企業(有限合夥)), Yantai Innovative Technology New Growth Drivers Investment Center (Limited Partnership) (煙台創科新動能投資中心(有限合夥)), Shenzhen Xingrui Investment Center (Limited Partnership) (深圳興銳投資中心(有限合夥)), Nanjing Ruiyuan Investment Management Partnership (Limited Partnership) (南京瑞源投資管理合夥企業(有限合夥)), Advantech Capital Investment XIV Limited, Serendipity Investment (Hong Kong) Limited, Starr International Investments HK V, Limited and Asian Alliance (Hong Kong) Limited.

**Article 3** The Chinese name of the Company: 山东博安生物技术股份有限公司  
English name: Shandong Boan Biotechnology Co., Ltd.  
Domicile: No. 39 Keji Avenue, High-Tech Industrial Development Zone, Yantai, Shandong Province  
Postcode: 264670  
Tel. No.: 0535-4379111

**Article 4** The Company is a joint stock limited company with perpetual existence.

**Article 5** The legal representative of the Company shall be a Director or manager responsible for executing affairs of the Company.

If the Director or manager serving as the legal representative resigns, such resignation shall be deemed to simultaneously constitute resignation from the position of legal representative.

In the event of the legal representative's resignation, the Company shall appoint a new legal representative within thirty days from the date of such resignation.

**Article 6** All assets of the Company shall be divided into shares of equal value. The liability of its shareholders for the Company is limited to the extent of the shares they subscribe for and the liability of the Company for its own debts is limited to the total amount of all assets it owns.

**Article 7** The Articles of Association shall be a legally binding document that regulates the Company's organization and activities, the rights and obligations between the Company and its shareholders as well as among the shareholders from the date on which it takes effect.

**Article 8** The Articles of Association shall be binding to the Company, its shareholders, Directors, Supervisors and senior management members. The aforesaid personnel shall all have the right to propose claims concerning the affairs of the Company in accordance with the Articles of Association.

Pursuant to the Articles of Association, a shareholder may pursue actions against other shareholders, a shareholder may pursue actions against Directors, Supervisors, the general manager and other senior management members of the Company, a shareholder may pursue actions against the Company and the Company may pursue actions against its shareholders, Directors, Supervisors, general manager and other senior management members.

The actions, as referred to in the preceding paragraph, include the instituting of legal proceedings with a court or filing with an arbitral authority for arbitration.

**Article 9** To the extent permitted by laws and regulations, the Company may invest in other limited liability companies or joint stock limited companies and shall be held responsible for the companies invested by the Company to the extent of the capital contribution made by it.

**Article 10** Senior management members referred to in the Articles of Association include the general manager and other senior management members of the Company. Other senior management members referred to in the Articles of Association include the Company's chief financial officer, the secretary to the Board and other senior management members appointed by the Board.

## **CHAPTER 2 BUSINESS OBJECTIVES AND SCOPE**

**Article 11** The business objectives of the Company: upholding the mission of professional technology serving human health, and maximizing value for shareholders and society by virtue of technology and driven by innovation.

**Article 12** Upon registration in accordance with the laws, the Company's business scope is as follows: general projects: medical research and trial development; technology service, technology development, technology consultation, technology exchange, technology transfer, technology promotion (independently carry out business activities in accordance with the laws with the business license, except for projects subject to approval in accordance with the laws); licensed projects: production of pharmaceuticals; commissioned production of pharmaceuticals; import and export of pharmaceuticals; wholesale of pharmaceuticals; retail of pharmaceuticals; import and export of technology; import and export of goods (business activities of projects subject to approval in accordance with the laws can only be commenced after obtaining approval from the relevant departments, and the specific operating projects shall be subject to the results of the approval).

## **CHAPTER 3 SHARES**

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

**Article 13** The stock of the Company shall take the form of shares.

**Article 14** The Company shall issue shares in a transparent, fair and just manner, and each share of the same category shall have the same right.

All shares of the same category issued at the same time shall be issued under the same conditions and at the same price; any entity or individual shall pay the same price for each share.

**Article 15** All shares issued by the Company shall have a nominal value and shall be denominated in RMB with each share having a nominal value of RMB1.00.

The Company shall have ordinary shares at all times; it may have other types of shares as needed, subject to laws, administrative regulations, departmental rules and normative documents and securities regulatory requirements.

**Article 16** The activities related to direct or indirect issuance of securities abroad or its listing of securities abroad by the Company are referred to as overseas issuance and listing.

Target subscribers for the overseas issuance and listing by the Company shall be foreign investors, except for those that meet the Administration Measures for Trial Implementation. Where the Company provides equity incentives or issues securities to purchase assets, it may issue securities to specific target subscribers that meet the requirements of the China Securities Regulatory Commission.

**Article 17** The shares issued by the Company and listed on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) are known in abbreviation as H Shares.

To the extent as permitted by relevant laws, administrative regulations and department rules, the shareholders of the Company may list the unlisted shares they hold on an overseas stock exchange. Listing of the aforesaid shares on an overseas stock exchange shall also comply with the regulatory procedures, regulations and requirements of the overseas securities market.

**Article 18** The share capital of the Company at establishment was RMB484,000,000, and the total number of shares was 484,000,000 shares. The equity structure at establishment is listed as follows:

No.	Name of Promoter	Number of Shares Held (Shares)	Percentage of shareholding	Contribution Method	Time of Contribution
1	Shandong Luye Pharmaceutical Co., Ltd. (山東綠葉製藥有限公司)	360,596,456	74.5034%	Net assets converted into shares	January 31, 2021
2	Yantai Bofa Investment Center (Limited Partnership) (烟台博發投資中心(有限合夥))	11,268,488	2.3282%	Net assets converted into shares	January 31, 2021
3	Yantai Bosheng Investment Center (Limited Partnership) (烟台博晟投資中心(有限合夥))	14,954,632	3.0898%	Net assets converted into shares	January 31, 2021
4	Yantai Bolian Investment Center (Limited Partnership) (烟台博聯投資中心(有限合夥))	21,415,548	4.4247%	Net assets converted into shares	January 31, 2021
5	SIP Sungent BioVenture Venture Capital Investment Partnership III (Limited Partnership) (蘇州工業園區新建元三期創業投資企業(有限合夥))	8,642,788	1.7857%	Net assets converted into shares	January 31, 2021
6	Shenzhen BioResearch Investment Fund Limited Partnership (Limited Partnership) (深圳市柏奧瑞思投資合夥企業(有限合夥))	6,050,000	1.2500%	Net assets converted into shares	January 31, 2021

No.	Name of Promoter	Number of Shares Held (Shares)	Percentage of shareholding	Contribution Method	Time of Contribution
7	Qianhai Equity Investment Fund (Limited Partnership) (前海股權投資基金(有限合夥))	6,050,000	1.2500%	Net assets converted into shares	January 31, 2021
8	Qingdao Brill Aimei Investment Partnership (Limited Partnership) (青島博睿愛美投資合夥企業(有限合夥))	5,185,576	1.0714%	Net assets converted into shares	January 31, 2021
9	Yantai Blue Ocean Venture Capital Co., Ltd. (烟台市藍海創業投資有限公司)	4,321,636	0.8929%	Net assets converted into shares	January 31, 2021
10	Zhongyuan Qianhai Equity Investment Fund (Limited Partnership) (中原前海股權投資基金(有限合夥))	2,592,788	0.5357%	Net assets converted into shares	January 31, 2021
11	Ningbo Meishan Free Trade Port District Brill Luoyi Equity Investment Partnership (Limited Partnership) (寧波梅山保稅港區博睿羅伊 股權投資合夥企業(有限合夥))	2,592,788	0.5357%	Net assets converted into shares	January 31, 2021
12	Shenzhen Qianhai Weiyang Investment Center (Limited Partnership) (深圳前海維陽投資中心(有限合夥))	1,728,364	0.3571%	Net assets converted into shares	January 31, 2021
13	Yantai Innovative Technology New Growth Drivers Investment Center (Limited Partnership) (烟台創科新動能投資中心(有限合夥))	864,424	0.1786%	Net assets converted into shares	January 31, 2021
14	Nanjing Ruiyuan Investment Management Partnership (Limited Partnership) (南京瑞源投資管理合夥企業(有限合夥))	864,424	0.1786%	Net assets converted into shares	January 31, 2021
15	Shenzhen Xingrui Investment Center (Limited Partnership) (深圳興銳投資中心(有限合夥))	864,424	0.1786%	Net assets converted into shares	January 31, 2021
16	Advantech Capital Investment XIV Limited	12,964,424	2.6786%	Net assets converted into shares	January 31, 2021
17	Serendipity Investment (Hong Kong) Limited	5,640,052	1.1653%	Net assets converted into shares	January 31, 2021
18	Asian Alliance (Hong Kong) Limited	563,860	0.1165%	Net assets converted into shares	January 31, 2021



No.	Name of Promoter	Number of Shares Held (Shares)	Percentage of shareholding	Contribution Method	Time of Contribution
19	Jianyin Juyuan Investment Management (Beijing) Co., Ltd. (建銀聚源投資管理(北京)有限公司)	8,642,788	1.7857%	Net assets converted into shares	January 31, 2021
20	Hainan Wensen Import and Export Trade Partnership (Limited Partnership) (海南文森進出口貿易合夥企業(有限合夥))	864,424	0.1786%	Net assets converted into shares	January 31, 2021
21	Yantai Bohui Investment Partnership (Limited Partnership) (烟台伯匯投資合夥企業(有限合夥))	1,728,364	0.3571%	Net assets converted into shares	January 31, 2021
22	Starr International Investments HK V, Limited	5,603,752	1.1578%	Net assets converted into shares	January 31, 2021
<b>Total</b>		<b>484,000,000</b>	<b>100%</b>	<b>/</b>	<b>/</b>

**Article 19** The total number of shares of the Company prior to the initial overseas offering and listing is 498,583,294 shares. Upon the approval of CSRC, the total number of issued shares at first overseas offering is 10,694,800 shares, with a nominal value of RMB1 per share, all of which are ordinary shares.

Upon the approval of the CSRC, all shareholders of the Company prior to the initial overseas offering and listing shall convert all the shares of the Company held by them into H Shares.

Upon the completion of all the above initial overseas offering and listing and the conversion of non-overseas listed shares into H shares, the capital structure of the Company shall comprise of 509,278,094 ordinary shares, all of which are H shares.

Upon obtaining approval at the annual general meeting of the Company held on 31 May 2024, the Company issued 26,655,600 H shares by way of placing in 2024. Upon completion of the placing, the capital structure of the Company comprises 535,933,694 ordinary shares, all of which are H shares.

**Article 20** If the Company issues securities in the same overseas market after the overseas issuance and listing, it shall file with the China Securities Regulatory Commission within 3 working days after the issuance.

**Article 21** If the Company issues securities in other overseas markets after the overseas issuance and listing, it shall file with the China Securities Regulatory Commission within 3 working days after submitting the issuance and listing application documents overseas.



If domestic corporate assets are listed directly or indirectly abroad through one or more acquisitions, conversion, transfers and other trading arrangements, the Company shall file with the China Securities Regulatory Commission within 3 working days after submitting the listing application documents overseas. If no application documents are required to be submitted overseas, the Company shall file with the China Securities Regulatory Commission within 3 working days following the date of the first announcement of the Company on the specific trading arrangements.

**Article 22** The registered capital of the Company is RMB535,933,694.

## **Section 2 Increase, Decrease and Buyback of Shares**

**Article 23** The Company may increase capital based on the needs of operation and development and in accordance with the requirements of laws and regulations and resolutions on a general meeting, by way of the following:

- (I) Public offering of shares;
- (II) Non-public offering of shares;
- (III) Placement or offer of new shares to existing shareholders;
- (IV) Conversion of reserve into share capital;
- (V) Other means stipulated by laws and administrative regulations.

The Company's increase of capital by issuing new shares shall, after being approved in accordance with the provisions of the Articles of Association, be conducted in accordance with the procedures stipulated by relevant laws, administrative regulations of the State and the listing rules of the place where the shares of the Company are listed.

**Article 24** The Company may decrease its registered capital. The Company shall decrease its registered capital pursuant to the Company Law, other relevant regulations and the Articles of Association.

**Article 25** The Company may, in the following circumstances, buy back its outstanding shares in accordance with laws, administrative regulations, department rules, listing rules of the place where the shares of the Company are listed and the provisions of the Articles of Associations:

- (I) When cancelling shares to decrease the registered capital of the Company;
- (II) When merging with other companies holding the shares of the Company;
- (III) When shares are being used in employee stock ownership plans or as equity incentive;
- (IV) When shareholders objecting to resolutions of a general meeting concerning merger or division of the Company require the Company to buy their shares;

- (V) When shares are being used to satisfy the conversion of corporate bonds convertible into shares issued by the Company;
- (VI) When safeguarding corporate value and shareholders' equity as the Company deems necessary;
- (VII) Other circumstances permitted by relevant regulations such as laws, administrative regulations, department rules, normative documents and the listing rules of the place where the Company's shares are listed.

Except for the abovementioned circumstances, the Company will not conduct any activities buying or selling its shares.

Where the Company repurchases its shares in the circumstances set out in paragraphs (I) and (II) above, it shall be subject to approval at a general meeting; where the Company repurchases its shares in the circumstances set out in paragraphs (III), (V) and (VI) above, it may be resolved by more than two-thirds of Directors present at a meeting of the Board in accordance with the authorization of a general meeting.

In the event that the Company repurchases its shares in accordance with the above provisions, such shares shall be cancelled within 10 days upon such repurchase in the circumstance set out in paragraph (I); shall be transferred or cancelled within 6 months in the circumstances set out in paragraphs (II) and (IV); the aggregate number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within 3 years in the circumstances set out in paragraphs (III), (V) and (VI).

Where the Company repurchases its shares, it shall perform its information disclosure obligations in accordance with laws.

**Article 26** The repurchase by the Company of its shares shall be carried out in a manner permitted by laws, regulations and securities regulatory requirements.

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

**Article 27** The Company's shares may be transferred in accordance with laws, administrative regulations and securities regulatory requirements.

**Article 28** All transfers of H shares shall be effected by transfer documents in writing in a general or common form or in any other form acceptable to the Board, including the standard transfer form or form of transfer specified by the Hong Kong Stock Exchange from time to time. The transfer documents in writing may be signed by hand or (in case of the transferor or transferee being a corporation) stamped with the Company's seal. If the transferor or transferee is a recognized clearing house as defined by the relevant provisions that come into effect from time to time according to the laws of Hong Kong (the "**Recognized Clearing House**") or its nominee, the transfer documents in writing may be signed by hand or in printed form.

All transfer documents shall be maintained in the legal address of the Company or such places as the Board may designate from time to time.

**Article 29** The Company shall not accept its own shares as pledge subject.

**Article 30** The shares of the Company held by the promoters shall not be transferred within one year after the incorporation of the Company. The shares issued by the Company before the initial public offering shall not be transferred within one year after the shares of the Company are listed on a stock exchange.

The Supervisors and senior management of the Company shall declare to the Company about their shareholdings and changes thereof and shall not transfer more than 25% of their shares per annum during their terms of office; the shares they hold in the Company shall not be transferred within one year after the shares of the Company are listed. The aforesaid persons shall not transfer their shares in the Company within half a year after they terminate service with the Company.

Where the relevant provisions of the securities regulatory authorities of the place where the shares of the Company are listed provide otherwise in respect of any transfer of any overseas listed foreign shares, such provisions shall prevail.

**Article 31** The Company or its subsidiaries (including affiliates of the Company) shall not provide any support for a person who purchases or intends to purchase shares of the Company in the form of gift, advance, guarantee, compensation, loans or otherwise.

For the benefits of the Company, the Company may, upon a resolution by the general meeting or by the Board under the Articles of Association or the authorization of the general meeting, and in compliance with the relevant provisions of the Hong Kong Listing Rules, provide financial aids for others to obtain the shares of the Company, provided that the total accumulative amount of the financial aids shall not exceed 10% of the total issued share capital. A resolution by the Board regarding matters under this Article shall be adopted by at least two-thirds of all the Directors.

Where the violation of the preceding two paragraphs causes losses to the Company, the liable Directors, Supervisors and senior management shall be liable for compensation.

#### **Section 4 Share Certificates and Register of Shareholders**

**Article 32** The Company shall maintain a register of shareholders based on the certificates provided by the securities registration authority. The register of shareholders is sufficient evidence to prove the share-holdings of shareholders in the Company. Shareholders have rights and obligations according to the classes of shares they hold; Shareholders holding the same class of shares have the same rights and obligations.

The Company may issue overseas listed shares in the form of foreign depository receipts or other derivative means of shares in accordance with the laws and practice of registration and depository of securities in the place where the shares of the Company are listed.

**Article 33** During the period when H Shares are listed on the Hong Kong Stock Exchange, the Company shall ensure that its H Shares documents (including H Share certificates) include the following statements, and shall instruct and procure its share registrar to reject any subscription, purchase or transfer of the shares registered in the name of any individual holder, unless and until the said individual holder has submitted to the share registrar the duly signed form relating to the said shares, and such form shall include the following statements:

- (I) The share purchaser agrees with the Company and each of its shareholders, and the Company agrees with each shareholder, to observe and comply with the provisions of the Company Law, and other relevant laws, administrative regulations and the Articles of Association.
- (II) The share purchaser agrees with the Company and each of the Company's shareholder, Director, Supervisor, general manager and other senior management member, and the Company acting on its own behalf and for each Director, Supervisor, general manager and other senior management member also agrees with each shareholder, to refer all disputes or claims arising from the Articles of Association or from the rights and obligations specified in the Company Law or other relevant laws or administrative regulations with respect to the Company's affairs to arbitration in accordance with the Articles of Association, and any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct an open hearing session and to publish its arbitral award, and the arbitral award shall be final and conclusive.
- (III) The share purchaser agrees with the Company and each of its shareholders that the shares of the Company can be transferred freely by the holders.
- (IV) The share purchaser authorizes the Company to conclude the contract on his behalf with each Director, general manager and other senior management member, and such Directors, general manager and other senior management members shall undertake to observe and fulfill their duties for shareholders as specified in the Articles of Association.

**Article 34** Where the Hong Kong Listing Rules specifies the period of closure of the register of members of the Company before the general meeting of the Company or the base date on which the Company determines to distribute dividends, such provisions shall prevail. If there is no specific provision, the register of members of the Company shall be closed according to the decision of the Board of directors of the Company.

**Article 35** If the Company convenes a general meeting, distributes dividends and carries out liquidation and other actions that require the identification of shareholders, the Board of Directors or the convener of the general meeting shall determine the record date, and shareholders whose name appears on the register of shareholders have relevant interests.

## **CHAPTER 4 SHAREHOLDERS AND GENERAL MEETINGS**

### **Section 1 Shareholders**

**Article 36** A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is registered in the register of members. Shareholders shall enjoy rights and have obligations in accordance with the class and amount of shares held by them. Shareholders holding the same class of shares shall be entitled to equal rights and have equal obligations.

**Article 37** When the Company convenes a general meeting, distributes dividends, commences liquidation or participates in other activities requiring the identification of shareholders, the shareholders whose names appear on the register of members are entitled to the relevant rights.

**Article 38** The ordinary shareholders of the Company shall enjoy the following rights:

- (I) the rights to receive dividends and other forms of distribution in proportion to the number of shares held by them;
- (II) the rights to request, convene, chair, attend or appoint proxy to attend general meetings and exercise corresponding voting rights in accordance with laws;
- (III) the rights to supervise and manage the operation of the Company and to put forward proposals and raise inquiries;
- (IV) the rights to transfer, donate, or pledge shares held by them in accordance with laws, administrative regulations and the Articles of Association;
- (V) to inspect and copy the Articles of Association, register of members, counterfoils of corporate bonds, minutes of general meeting, resolutions of Board meetings, resolutions of meetings of the Board of Supervisors and the financial and accounting reports. Shareholders who meet the prescribed requirements may inspect the Company's accounting books and accounting vouchers;
- (VI) the rights to participate in the distribution of remaining assets of the Company corresponding to the number of shares held in the event of the termination or liquidation of the Company;
- (VII) the rights to demand the Company to acquire the shares held by them with respect to shareholders voting against any resolution adopted at a general meeting on the merger or division of the Company;
- (VIII) other rights under the laws, administrative regulations, department rules, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

**Article 39** If a shareholder requests access to and copy relevant information mentioned in the preceding article or to obtain information, it shall provide the Company with written documents to prove the class and number of shares held by it in the Company. The Company will provide the information required by the share-holder upon verification of the identity of the shareholder.

**Article 40** Where the contents of a resolution of a general meeting or the Board are in violation of any laws or administrative regulations, shareholders are entitled to petition the People's Court to declare the resolution invalid.

Shareholders are entitled to petition the People's Court to revoke any resolution passed on a general meeting or a meeting of the Board that has been convened or whose voting has been conducted in violation of laws, administrative regulations or the Articles of Association, or any resolution the contents of which is in violation of the Articles of Association, provided that such petition shall be submitted within 60 days of the passing of such resolution, unless there is only a slight defect in the procedure of convening or the form of voting at the shareholders' or Board meetings of the Company, which has no substantive impact on the resolution.

A shareholder who has not been notified to attend the general meetings may file the petition to the People's Court to revoke such resolution within 60 days from the date on which he/she knows or should know that the resolution was made at the general meetings; if the right of revocation is not exercised within one year from the date on which the resolution is made, the right of revocation shall be extinguished.

Where relevant parties such as the Board or the shareholders dispute the validity of a resolution passed at the general meeting, they should file a lawsuit with the People's Court in a timely manner. Pending the judgment or ruling of the People's Court, all relevant parties shall implement the resolutions of the general meeting, and no party may refuse to execute such resolutions on the grounds of their alleged invalidity. The Company, the Directors and senior management shall faithfully discharge their respective duties to ensure the normal operation of the Company.

Where the People's Court has handed down a judgement or ruling on the relevant matter, the Company shall fulfill the obligation of information disclosure in accordance with the laws, administrative regulations and provision of the CSRC and the stock exchange, which shall include a full account of the impact, and shall actively implement in compliance with such judgement or ruling after the same comes into effect. Where rectification of previous executed matters is involved, such rectification shall be promptly processed and the obligation of information disclosure shall be fulfilled accordingly.

**Article 41** Where Directors and senior management violate the provisions of laws, administrative regulations or the Articles of Association during the performance of their duties and cause damages to the Company, shareholders individually or jointly holding more than 1% of the shares in the Company for more than 180 consecutive days may request in writing the Board of Supervisors to initiate proceedings in the People's Court. In the event that the Board of Supervisors violates the provisions of laws, administrative regulations or the Articles of Association during the performance of their duties and cause damages to the Company, the above said shareholders may send written request to the Board to initiate proceedings in the People's Court.



Upon receipt of the aforesaid written request from the shareholders, if the Board of Supervisors or the Board of Directors refuses to initiate proceedings, or has not initiated proceedings within 30 days from the date of receipt of the request, or if under urgent situations, failure of initiating immediate proceeding may cause irremediable damages to the Company, the aforesaid shareholders, for the benefit of the Company's interests, has the right to initiate proceedings directly in the People's Court in their own name.

For other parties who infringe the lawful interests of the Company resulting in loss to the Company, such shareholder(s) specified in the first paragraph of this Article may institute litigation in the People's Court in accordance with the procedures described in the two preceding paragraphs.

Where Directors, Supervisors or senior management of a wholly-owned subsidiary of the Company commit any act specified in the preceding Article, or where any other party infringes upon the lawful rights and interests of such wholly-owned subsidiary causing losses thereto, shareholders who individually or jointly hold 1% or more of the Company's shares for 180 consecutive days or more may, in accordance with the provisions of the preceding three paragraphs, submit a written request to the supervisory committee or board of directors of the wholly-owned subsidiary to initiate legal proceedings with the People's Court, or may directly initiate such proceedings with the People's Court in their own name.

**Article 42** Where a Director or senior management member contravenes any laws, administrative regulations or the Articles of Association in infringement of a shareholder's interests, the shareholder may also institute litigation in the People's Court.

**Article 43** The shareholders of the Company shall have the following obligations:

- (I) to abide by laws, administrative regulations and the Articles of Association;
- (II) to pay for the shares based on the shares subscribed for and the manners in which they became shareholders;
- (III) not to withdraw their paid share capital except in circumstances allowed by laws and regulations;
- (IV) not to abuse shareholder's rights and harm the legal interest of the Company or other shareholders; not to abuse the independent legal person status of the Company and the limited liability of shareholders to impair the legal interests of the creditors of the Company;

Where a shareholder's abuse of its power causes damage to other shareholders, he/she shall be liable to compensation in accordance with the laws;

Where a shareholder has abused the Company's independent legal person status and shareholder's limited liability for debt evasion and caused serious damage to the creditor's interests, he/she shall bear joint liability for the debts of the Company;



Where a shareholder utilizes two or more companies under its control to conduct the acts specified in the preceding paragraph, each such company shall bear joint liability for the debts of any one of the companies;

- (V) other obligations imposed by laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Shareholders are not liable for making any further contribution to share capital other than as agreed by the subscribers of shares on subscription.

**Article 44** The controlling shareholder and the de facto controller of the Company shall not use their connected relationships to harm the interests of the Company, and shall be liable for compensation for their violation of the provisions.

The controlling shareholder and the de facto controller of the Company have the obligation of good faith to the Company and the public shareholders of the Company. The controlling shareholder shall strictly exercise the rights of an investor in accordance with laws, and shall not use profit distribution, asset restructuring, external investment, capital utilization, loan guarantee and other means or its controlling position to damage the legitimate rights and interests of the Company and the public shareholders.

**Article 45** For the purpose of the Articles of Association, controlling shareholder means a shareholder or any other person (a person or a group of persons) who has the right to exercise or control the exercise of 30% (or such other percentage as may be required from time to time under the applicable laws of China to trigger a mandatory public offer or to establish legal or managerial control over an enterprise) or more of the voting rights at a general meeting of the Company; or who is able to control a substantial part of the members of the Board of the Company.

## **Section 2 General Provisions of General Meetings**

**Article 46** A general meeting is the organ of authority of the Company, which exercises the following functions and powers in accordance with laws:

- (I) to elect and replace the Directors and Supervisors who are shareholder representatives, and to decide on matters relevant to the remuneration of Directors and Supervisors;
- (II) to consider and approve the reports of the Board;
- (III) to consider and approve the reports of the Board of Supervisors;
- (IV) to consider and approve the profit distribution plan and loss recovery plan of the Company;

- (V) to determine the increase or decrease of the registered capital of the Company;
- (VI) to determine the issuance of corporate bonds or other securities by the Company and its listing plan;
- (VII) to determine matters such as the merger, division, dissolution, liquidation or change of corporate form of the Company;
- (VIII) to amend the Articles of Association;
- (IX) to determine the appointment of, removal of and non-reappointment of an auditor by the Company;
- (X) to consider and approve the provision of external guarantees that shall be approved at a general meeting required by the Articles of Association;
- (XI) to consider matters relating to the purchases and disposals of material assets, which are more than 30% of the latest audited total assets of the Company, within one year;
- (XII) to consider and approve the change of use of proceeds;
- (XIII) to consider and approve the connected transactions that shall be considered and approved at a general meeting required by laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association;
- (XIV) to consider the formulation, amendment and implementation of share incentive plans;
- (XV) to consider the proposal raised by shareholders who, individually or in the aggregate, hold 1% or more of the total number of the voting shares of the Company;
- (XVI) unless otherwise stipulated in the Hong Kong Listing Rules, financing matters such as applications for credit facilities, loans, bank acceptance bills, and letters of credit from financial institutions (including banks) and non-financial institutions: the Board is authorized to review and approve annual cumulative financing facilities exceeding RMB500 million but below RMB1,200 million, with single financing facility not exceeding RMB500 million. Financing matters exceeding the aforesaid amounts shall be subject to approval by the general meeting;
- (XVII) unless otherwise stipulated in the Hong Kong Listing Rules, establishment of wholly-owned or controlled subsidiaries and branches: the Board is authorized to review and approve annual cumulative outward investments exceeding RMB200 million but below RMB800 million, with single outward investment not exceeding RMB400 million. Outward investment matters exceeding the aforesaid amounts shall be subject to approval by the general meeting; those not reaching the Board's review threshold shall be approved by the general manager.

(XVIII) to review other matters which, in accordance with the laws, administrative regulations, departmental rules, the regulatory rules of the places where the shares of the Company are listed, or the provisions of the Articles of Association, shall be approved at a general meeting.

A general meeting can authorize or entrust the Board to handle the matters authorized or entrusted thereby, provided that the laws and regulations, and the mandatory provisions of laws and regulations of place of listing are not violated.

**Article 47** The Company shall not, without the approval by way of a special resolution obtained at a general meeting, enter into any contract with any party (other than Directors, managers and other senior management members) pursuant to which such party shall be in charge of the management of all or major businesses of the Company, save for special circumstances such as the Company is in a crisis.

**Article 48** The following external guarantees to be provided by the Company shall be subject to consideration and approval at a general meeting:

- (I) a single guarantee of an amount exceeding 10% of the Company's latest audited net assets;
- (II) any guarantee to be provided after the total external guarantees by the Company and its subsidiaries exceeding 50% of the latest audited net asset of the Company;
- (III) a guarantee to be provided to a party with a gearing ratio exceeding 70%;
- (IV) any guarantee to be provided after the accumulated amount of the guarantees incurred in the preceding 12 consecutive months exceeds 30% of the latest audited total assets of the Company;
- (V) guarantees to be provided to shareholders, de facto controllers and their connected parties;
- (VI) other guarantees as prescribed by laws, regulations, normative documents, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

The above external guarantees that shall be approved at a general meeting shall be submitted to the general meeting for approval only after being considered and approved by the Board. Where the guarantees in paragraph (IV) of this Article are considered at a general meeting, it shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting.

The Board is authorized to consider and approve other external guarantees other than the above guarantees subject to approval by a general meeting.

When considering the resolution of providing guarantees to shareholders, de facto controllers and their connected parties at a general meeting, such shareholders or shareholders controlled by such de facto controller shall not vote on such resolution. Such resolution shall be passed by a majority of the voting rights of other shareholders present at the general meeting.

**Article 49** General meetings are divided into annual general meetings and extraordinary general meetings. Annual general meetings are held once every year and within 6 months from the end of the preceding accounting year.

**Article 50** The Board shall convene an extraordinary general meeting within two months after the occurrence of any of the following circumstances:

- (I) where the number of Directors falls below the minimum number required by the Company Law or is less than two-thirds of the number required by the Articles of Association;
- (II) where the unrecovered losses of the Company amount to one-third of its total paid-up share capital;
- (III) where shareholder(s), individually or jointly, holding 10% or more of the Company's outstanding shares carrying voting rights request(s) in writing the convening of an extraordinary general meeting (the number of shares held shall be calculated as at the date when the shareholder(s) provide(s) the written request);
- (IV) where the Board considers it necessary;
- (V) where the Board of Supervisors proposes to call for such a meeting;
- (VI) other circumstances stipulated by laws, administrative regulations, departmental rules, the regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

**Article 51** The venue of a general meeting of the Company shall be the place where the Company is located or the place specified in the notice of the general meeting.

A general meeting shall have a conference venue as well as clear and specific conference location.

### **Section 3 Calling of General Meetings**

**Article 52** A general meeting shall be convened by the Board; if the Board is incapable of performing or is not performing its duties of convening a general meeting, the Board of Supervisors shall convene the general meeting in a timely manner; if the Board of Supervisors fails to convene the general meeting, any shareholder(s) individually or jointly holding more than 10% of the shares of Company for more than 90 consecutive days may convene the meeting on its/their own.

**Article 53** Upon approval by a majority of all independent Directors, the independent Directors shall have the right to propose to the Board to convene an extraordinary general meeting. In respect to the proposal by the independent Director for convening an extraordinary general meeting, the Board shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to such proposal for convening an extraordinary general meeting within 10 days upon receipt of such proposal.

In the event that the Board agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be given within 5 days after the Board resolution is passed. In the event that the Board disagrees to convene an extraordinary general meeting, an explanation shall be given and an announcement shall be made.

If there are other provisions by the securities regulatory authorities of the place where the shares of the Company are listed, such provisions shall prevail.

**Article 54** The Board of Supervisors has the right to propose in writing to the Board to convene an extraordinary general meeting. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to such proposal for convening an extraordinary general meeting within 10 days upon receipt of such proposal.

In the event that the Board agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be given within 5 days after the relevant Board resolution is passed and consent of the Board of Supervisors shall be obtained in case of any changes to the original proposal in the notice.

In the event that the Board disagrees to convene an extraordinary general meeting or does not furnish any reply within 10 days after receipt of such proposal, the Board is deemed to be unable or unwilling to perform the duty of convening a general meeting, in which case the Board of Supervisors may convene and preside over such meeting by itself.

**Article 55** Any shareholder(s) individually or jointly holding 10% or more of the shares of the Company is/are entitled to request in writing the Board to convene an extraordinary general meeting. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply to such shareholder(s) stating its agreement or disagreement to the convening of the extraordinary general meeting within 10 days after receipt of such requisition.

In the event that the Board agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be given within 5 days after the relevant Board resolution is passed and consent of the relevant shareholder(s) shall be obtained in case of any changes to the original proposal in the notice.

In the event that the Board disagrees to convene an extraordinary general meeting or does not furnish any reply within 10 days after having received such requisition, any shareholder(s) individually or jointly holding 10% or more of the shares of the Company is/are entitled to propose in writing to the Board of Supervisors to convene an extraordinary general meeting.

In the event that the Board of Supervisors agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be given within 5 days after receipt of such requisition and consent of the relevant shareholder(s) shall be obtained in case of any changes to the original proposal in the notice.

In the event that the Board of Supervisors fails to serve any notice of a general meeting within the prescribed period, the Board of Supervisors is deemed not to convene and preside over the meeting, in which case the shareholder(s) individually or jointly holding 10% or more of the shares of the Company for more than 90 consecutive days may convene and preside over the meeting on its/their own.

**Article 56** Where the Board of Supervisors or shareholders decide to convene a general meeting on its/their own, it/they shall send a written notice to the Board. Prior to the announcement of the resolution(s) of a general meeting, the shareholdings of the shareholders convening the general meeting shall not be less than 10%.

**Article 57** Where a general meeting is convened by the Board of Supervisors or shareholders on its/their own, the Board and the secretary to the Board shall work in a cooperative manner. The Board shall provide the register of members prepared on the date of record date.

**Article 58** Where a general meeting is convened by the Board of Supervisors or shareholders on its/their own, the expenses necessary for the general meeting shall be borne by the Company.

#### **Section 4 Proposals and Notices of General Meetings**

**Article 59** The contents of a proposal shall fall within the scope of powers of a general meeting, shall provide clear agenda and specific matters for a resolution to be made, and shall comply with the relevant provisions of the laws, administrative regulations and the Articles of Association.

**Article 60** Where the Company convenes a general meeting, the Board, the Board of Supervisors and shareholders individually or jointly holding more than 1% of the shares of the Company shall have the right to put forward proposals to the Company.

Shareholder(s) individually or jointly holding more than 1% of the shares of the Company may submit written provisional proposals to the convener 10 days before a general meeting. The convener shall serve a supplemental notice of the general meeting within 2 days after receipt of the provisional proposals and notify the contents of the said provisional proposals, provided, however, that such provisional proposals shall not violate laws, administrative regulations or the provisions of the Articles of Association, nor fall outside the scope of authority of the general meeting. The Company shall not impose higher shareholding ratio requirements on shareholders proposing provisional proposals.

Save as specified in the preceding paragraph, the convener shall not change the proposals set out in the notice of the general meeting or add any new proposal after the said notice is served.

Proposals not set out in the notice of the general meeting or not complying with the Articles of Association shall not be voted on or resolved at the general meeting.

**Article 61** The Company shall give reasonable written notice to shareholders for convening a general meeting. Where the Company convenes an annual general meeting, a written notice shall be issued at least 21 days (excluding both the date of notice and the date of meeting) prior to the annual general meeting and at least 15 days (excluding both the date of notice and the date of meeting) prior to the extraordinary general meeting (unless the Company can demonstrate that reasonable written notice can be issued within a shorter period of time). If there are other provisions in the laws, regulations and by the securities regulatory authorities of the place where the shares of the Company are listed, such provisions shall prevail.

**Article 62** The notice of the general meeting shall be given in writing and contain the following:

- (I) the date, venue and duration of the meeting;
- (II) matters and proposals submitted for consideration at the meeting;
- (III) an obvious statement that all shareholders are entitled to attend the general meeting in person, or appoint in writing proxies to attend and vote on his or her behalf and that such proxies need not be shareholders of the Company;
- (IV) name and telephone number of the permanent contact person;
- (V) such information and explanation as necessary for shareholders to make informed decisions in connection with the matters to be discussed;
- (VI) the nature and extent of the material interests of any Director, Supervisor, manager and other senior management member in the transaction to be discussed and the difference in case of the effect of the transaction to be discussed on such Director, Supervisor, manager and other senior management member as shareholders insofar as it differs from the effect on the shareholders of the same class;
- (VII) the full text of any special resolution proposed to be passed at the meeting;
- (VIII) the time and place for serving the power of attorney authorizing the proxy to vote;
- (IX) the record date for the determination of the entitlements of shareholders to the general meeting.

The notice and supplementary notice of a general meeting shall adequately and completely disclose the specific contents of all proposals. Where the opinions of the independent Directors are required on the issues to be discussed, such opinions and reasons thereof shall be disclosed when the notice or supplementary notice of the general meeting is served.



**Article 63** If the election of Directors or Supervisors is proposed to be discussed at a general meeting, the notice of the meeting shall adequately specify the detailed information on the Director or Supervisor candidates, which shall at least include:

- (I) personal particulars, including academic qualifications, working experience and concurrent positions;
- (II) whether or not such candidate has any connected relationship with the Company, its controlling shareholders and de facto controller;
- (III) the number of shares of the Company held by such candidate;
- (IV) whether they have been subject to any penalties imposed by the CSRC and other relevant regulatory authorities, as well as disciplinary actions by stock exchanges.

Each candidate for a Director or a Supervisor shall be proposed via a single proposal.

**Article 64** After issuing a notice of a general meeting, the general meeting shall not be delayed or cancelled without justified reasons, and proposals, as set out in the notice, shall not be called off. Once delay or cancellation occurs, the convener shall make an announcement and explanation at least 2 working days before the original convening date.

## **Section 5 Convening of General Meetings**

**Article 65** The Board of the Company or any other conveners shall take necessary measures to guarantee the good order of a general meeting, take measures to deter any act disturbing the general meeting, picking quarrels and provoking troubles or infringing the legal rights and interests of any shareholder, and shall report such act to the relevant department in a timely manner for investigation and punishment.

**Article 66** When a general meeting is held, all shareholders whose names appear on the register of members on the record date or their proxies are entitled to attend the general meeting, speak at the general meeting and exercise their voting rights in accordance with the relevant laws, regulations and the Articles of Association, unless an individual shareholder is required by the Hong Kong Listing Rules to abstain from voting for an individual matter, such as the circumstances in which shareholder holds material interests in individual transaction or arrangement to be voted.

**Article 67** Any natural person shareholder who is entitled to attend a general meeting and vote thereat may attend the general meeting in person or appoint one or more proxies (who may not be a shareholder) to attend and vote on its behalf. A shareholder shall authorize his or her proxy in writing and the power of attorney shall be signed by the proxy or the agent authorized in writing by the proxy. Where the proxy is a corporate, the chop of the corporate should be affixed, or the Director or the proxy officially entrusted shall sign such power of attorney.

**Article 68** A shareholder attending a general meeting in person shall present his or her identity card or other valid certificate or proof showing his or her identity. The proxy appointed by the shareholder shall present his or her identity card and power of attorney issued by the shareholder.

A corporate shareholder shall entrust the legal representative (person in charge) or its agent to attend the general meeting. The legal representative (person in charge) attending the general meeting shall present his or her identity card and valid proof showing the status of the legal representative; the proxy attending the general meeting shall present his or her identity card and a power of attorney in writing issued by the legal representative (person in charge) of the corporate shareholder (other than a recognized clearing house or its nominee) in accordance with the laws.

**Article 69** The power of attorney issued by the shareholder authorizing his or her proxy to attend a general meeting should contain the following:

- (I) the name of and number of shares represented by the proxy;
- (II) whether or not the proxy has any voting right;
- (III) instruction to vote for or against or abstain from voting on each and every issue included in the agenda of the general meeting;
- (IV) the date of issue and validity period of the power of attorney;
- (V) signature (or seal) of the appointer. If the appointer is a corporate shareholder, the chop of the corporate shall be affixed.

**Article 70** Any blank instrument of proxy sent to a shareholder by the Board for use by him/her for appointing a proxy shall be in such form to enable the shareholder to freely instruct the proxy to vote in favor or against the related resolution(s) or to abstain from voting on such resolution(s), and to instruct separately in respect of each resolution dealing with business to be transacted at the meeting. Such form shall contain a statement that in default of such instructions, the proxy may vote as he/she thinks fit.

**Article 71** Where such instrument is signed by a person under a power of attorney or other authority on behalf of the appointer, that power of attorney or other authority is required to be notarized. A notarized copy of that power of attorney or other authority together with the instrument appointing a proxy is required to be deposited at the Company's domicile or such other place as specified in the notice of the meeting.

If the appointer is a corporation shareholder, the legal representative (person in charge) or such person who is authorized by the resolution of its board or other governing body to act as its representative may attend the general meeting of the Company.

Where such shareholder is a recognized clearing house determined by relevant regulations formulated from time to time in Hong Kong (or its nominee), such shareholder shall be entitled to appoint one or more persons as it deems fit to act on its behalf at any general meeting or any other class meetings, provided in the event of more than one person are authorized, the power of attorney shall specify the number and class of shares represented by each person so authorized and shall be executed by the recognized clearing house. Such persons so authorized shall be entitled to exercise the rights equivalent to those enjoyed by other shareholders (including the right to speak and vote) on behalf of the recognized clearing house (or its nominee) without presenting evidence of their shareholding, notarized authorization and/or further proof showing their due authorization as if they were individual shareholders of the Company.

**Article 72** A vote given by a proxy in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or loss of capacity of the appointer or revocation of the proxy or power of authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no notice in writing of such death, insanity, revocation or transfer as aforesaid has been received by the Company before the commencement of the meeting at which the proxy is used.

**Article 73** The register of attendees of a general meeting shall be prepared by the Company. Such register shall specify information such as the name of the persons (or units) attending the general meeting, identity card number, residential address, number of shares or voting shares held, name of the persons (or units) the proxy represents.

**Article 74** The convener shall verify the qualification of shareholders with the register of members, and shall register the name of the shareholders as well as the number of their voting shares. Such registration shall be ceased prior to the announcement by the chairman of such a general meeting of the number of shareholders and their proxies present at the meeting and the total number of their respective voting shares.

**Article 75** Where a Director, Supervisor, general manager, other senior management member or other personnel of the Company is required to attend a general meeting pursuant to the laws, administrative regulations, departmental rules, normative documents, the listing rules of the place where the shares of the Company are listed or the Articles of Associations, the relevant person shall attend such meeting. Except for those related to trade secrets of the Company that shall not be disclosed, Directors, Supervisors, the general manager and other senior management members attending or present at the meeting shall answer or provide explanation to the inquiries made by shareholders at the general meeting.

**Article 76** A general meeting shall be convened by the Board and presided over by the chairman of the Board. In the event that the chairman is incapable of performing or is not performing his/her duties, the vice chairman shall perform his/her duties (if the Company has two or more vice chairmen, the vice chairman jointly recommended by the majority of the Directors shall perform his/her duties). In the event that the Company has no vice chairman or the vice chairman is incapable of performing or is not performing his/her duties, a Director recommended by more than half of the Directors shall preside over the meeting. In the event that no such designation is made, the attending shareholders may elect one of them to preside over the meeting. If, for any reason, shareholders fail to elect a presider of the meeting, the shareholder present at the meeting (including proxy thereof, other than Hong Kong Securities Clearing Company Limited) who holds the highest number of voting shares shall act as the presider of the meeting.

A general meeting convened by the Board of Supervisors on its own shall be presided over by the chairman of the Board of Supervisors. Where the chairman of the Board of Supervisors is unable or fails to perform his/her duties, a Supervisor shall be jointly elected by more than half of the Supervisors to perform such duties.

A general meeting convened by shareholders on their own shall be presided over by a representative elected by the conveners.

When a general meeting is held and the presider violates the rules of procedures of the general meeting which makes it difficult for the general meeting to continue, a person may be elected at the general meeting to act as the presider, subject to the approval of more than half of the attending shareholders having the voting rights.

**Article 77** The Company shall formulate the rules of procedures of a general meeting to specify in details the convening and voting procedures of the general meeting, including notice, registration, deliberation of proposal, votes, vote counting, announcement of voting results, formation of resolutions, minutes and the signatures thereon, as well as the principles of authorization by the general meeting to the Board, the contents of such authorization shall be expressly specified. The rules of procedures of the general meeting shall be an appendix to the Articles of Association and shall be formulated by the Board and approved at the general meeting.

**Article 78** The presider of the general meeting shall, before voting, announce the number of shareholders and their proxies attending the meeting as well as the total number of their voting shares carrying the voting shares, and the number of shareholders and their proxies attending the meeting and the total number of their shares shall be subject to the registration of the general meeting.

**Article 79** A general meeting shall have meeting minutes, which shall be recorded by the secretary to the Board. The meeting minutes shall record the following:

- (I) the time, venue and agenda of the meeting, and the name of the convener;
- (II) the names of the presider, and the Directors, Supervisors, general manager and other senior management members attending or present at the meeting;

- (III) the number of attending shareholders and their proxies, the total number of voting shares they represent and the proportion of these shares to the total number of the shares of the Company;
- (IV) the consideration process of each proposal, summaries of the speeches and the voting result;
- (V) the questions or recommendations of the shareholders, and the corresponding responses or explanations;
- (VI) the name of vote counters and scrutineer;
- (VII) other contents that shall be recorded in the minutes in accordance with the Articles of Association.

**Article 80** The convener shall ensure the meeting minutes are true, accurate and complete. The Directors and Supervisors attending the meeting, the secretary to the Board, the convener or his/her representative, and the presider shall sign the meeting minutes. The meeting minutes and the signed attendance record of the shareholders who attended in person, the proxy forms for the proxies present at the meeting and the valid information relating to voting online and by other means shall be kept together for at least 10 years.

**Article 81** The convener shall ensure the continuity of a general meeting until the final resolution is formed. Where a general meeting is suspended or no resolution can be made due to force majeure or any other special reasons, necessary measures shall be taken to resume or directly terminate the general meeting.

## **Section 6 Voting and Resolutions of General Meetings**

**Article 82** Resolutions of general meeting are divided into ordinary resolutions and special resolutions.

An ordinary resolution of a general meeting shall be passed by more than half of the voting rights held by the shareholders (including their proxies) present at the meeting.

A special resolution of a general meeting shall be passed by more than two-thirds of the voting rights held by the shareholders (including their proxies) present at the meeting.

**Article 83** The following matters shall be approved by ordinary resolution at a general meeting:

- (I) the work reports of the Board and the Board of Supervisors;
- (II) the profit distribution plan and loss recovery plan formulated by the Board;
- (III) the removal of members of the Board and the Board of Supervisors, their remuneration and method of payment;
- (IV) the annual report of the Company;

- (V) appointment, removal and non-reappointment of accounting firms;
- (VI) any matters not otherwise required by laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed or the Articles of Association to be considered by a general meeting (save for matters required to be passed by special resolution at a general meeting).

**Article 84** The following matters shall be approved by special resolution at a general meeting:

- (I) to increase or reduce the registered capital of the Company;
- (II) to resolve on the Company's division, merger, dissolution, liquidation or change of corporate form;
- (III) to make amendments to the Articles of Association;
- (IV) to consider purchase or sale of material assets by the Company within one year, or a guarantee amount exceeding 30% of the total assets in the latest audit period of the Company;
- (V) to formulate, revise and implement a share incentive scheme;
- (VI) other matters as stipulated by laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed or the Articles of Association, and matters deemed by the general meeting by ordinary resolution to have material effect on the Company and necessary for passing by special resolution.

**Article 85** A shareholder (including his/her proxy) shall exercise his/her voting rights in respect of the number of shares held. Each share shall have one vote.

No voting rights shall attach to the shares held by the Company, and such shares shall not be counted in the total number of shares with voting rights present at a general meeting.

If laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed stipulate that any shareholder shall waive his/her voting right on a certain resolution or limit any shareholder to cast an affirmative or negative vote on a certain matter, and in case of any violation of such relevant stipulation or limitations, the votes casted by such shareholders or proxies thereof shall be excluded from voting results.

**Article 86** Where matters relating to connected transactions (as defined under the Hong Kong Listing Rules) are deliberated at a general meeting, the connected shareholders and their associates (as defined under the Hong Kong Listing Rules) shall not participate in the voting, and the shares carrying the voting rights they represent shall not be counted in the total number of valid votes. The announcement of resolutions of the general meeting should fully disclose the voting of the non-connected persons.

Before the general meeting considers matters relating to connected transactions, the Company shall determine the scope of connected shareholders in accordance with relevant laws, regulations and normative documents. Connected persons or their authorized representatives may attend the general meeting, and may clarify their views to the shareholders in accordance with the procedures of the meeting, but they shall abstain from voting in a poll.

Where the general meeting considers matters relating to connected transactions, connected shareholders shall actively abstain from voting. If connected shareholders fail to abstain from voting, other shareholders attending the meeting shall have the right to request them to abstain from voting. After connected persons have abstained from voting, other shareholders shall vote according to their voting rights and pass the corresponding resolutions in accordance with the provisions of the Articles of Association. The presider of the meeting shall announce the number of shareholders and proxies other than the connected persons present at the general meeting and the total number of their voting shares.

In order to be valid, the resolutions made at the general meeting on matters relating to connected transactions shall be passed by more than half of the votes cast by the non-connected shareholders attending the general meeting. However, in order to be valid, in the event of such connected transaction involving matters that need to be passed by special resolution as stipulated in the Articles of Association, the resolutions of the general meeting must be passed by more than two-thirds of the voting rights held by the non-connected persons attending the general meeting.

Where connected persons or their associates participate in voting in violation of the provisions under this Article, their voting in respect of matters relating to connected transactions shall be invalid.

**Article 87** The Company shall, on the condition that a general meeting is legally and validly held, facilitate the attending of the general meeting by shareholders through various means and methods.

**Article 88** The name list of candidates for Directors and Supervisors shall be submitted by way of proposal to a general meeting for voting.

If the general meeting votes on the election of directors and supervisors, the cumulative voting system may be implemented according to the Articles of Association or the resolutions of the general meeting.

For the purpose of the preceding paragraph, the cumulative voting system means a system under which the number of votes for each share is equal to the number of directors or supervisors to be elected and a shareholder may concentrate its votes when directors or supervisors are elected at the general meeting. The Board of Directors shall announce the resumes and basic information of proposed candidate directors and supervisors to the shareholders.



**Article 89** Save for when cumulative voting system is applied, a general meeting shall resolve on all the proposals separately; in the event of several proposals for the same issue, such proposals shall be voted on and resolved in the order of time at which they are submitted. Unless the general meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused at the general meeting.

**Article 90** No amendment shall be made to a proposal when it is considered at a general meeting, otherwise, the relevant amendment shall be deemed as a new proposal and shall not be voted on at the general meeting.

**Article 91** Unless the resolutions on relevant procedures of a general meeting or administrative matters which can be decided by the chairman in the principles of honesty and credibility and shall be voted on by show of hands, voting for a general meeting shall be made by ballot.

**Article 92** A poll demanded on the election of the chairman of a meeting, or on a question of the adjournment of a meeting, shall be taken forthwith. A poll demanded on any other matter shall be taken at such time as the chairman of the meeting directs, and the meeting may proceed to discuss other matters, while the result of the poll shall still be deemed to be a resolution passed at that meeting.

**Article 93** When proposals are voted on at a general meeting, the shareholders' representatives and Supervisors' representatives and other relevant persons appointed in accordance with the Hong Kong Listing Rules shall be jointly responsible for the counting and monitoring of the ballots and shall announce the voting results on the spot, the voting results of which shall be recorded in the meeting minutes in accordance with the Hong Kong Listing Rules.

**Article 94** A general meeting shall be held by physical meeting or other means permitted by laws and regulations.

The presider shall announce the voting result of every proposal and announce whether the proposal is passed according to the voting result.

Before the voting result is announced, the relevant parties including the Company, counting agent, polling agent and major shareholders involved at the general meeting shall have the confidentiality obligation.

**Article 95** A shareholder attending a general meeting shall express one of the following opinions on any proposal to be voted on: pro, con or abstention.

Voters' blank, wrong, illegible or uncast votes shall be deemed as their waiver of voting rights, and the voting results of the shares held by them shall be counted as "abstentions".

At the time of voting, any shareholder who has two or more votes (including their proxies) needs not to use all votes for or against any resolution or to abstain from voting on such resolution.

The first vote shall prevail in cases when a given voting rights is exercised repeatedly.

**Article 96** If the presider has any doubt as to the result of a resolution which has been put to vote at a general meeting, he/she may have the ballots counted. If the presider has not counted the ballots, any shareholder who is present in person or by proxy and who objects to the result announced by the presider may, immediately after the declaration of the voting result, demand the ballots to be counted and the presider shall have the ballots counted immediately.

If ballots are counted at a general meeting, the counting result shall be recorded in the meeting minutes. The minutes together with the attendance record of shareholders and the powers of attorney of the proxies shall be kept at the domicile of the Company.

**Article 97** Resolutions of a general meeting shall be announced in due time in accordance with the relevant laws, regulations, departmental rules, normative documents, the regulatory rules of the place where the shares of the Company are listed or the Articles of Association. The announcement of resolutions shall specify the number of attending shareholders and their proxies, the total number of voting shares they represent and the proportion of these shares to the total number of the voting shares of the Company, the total number of shares required to abstain from voting in the concurring votes and/or voting as requested by the regulatory rules of the place where the shares of the Company are listed to individual proposals (if any), whether the shareholder who is required to abstain from voting has given up the voting right, the voting method, the voting result of each resolution and the details of each of the resolutions passed.

**Article 98** Where a proposal on election of Directors or Supervisors is passed at a general meeting, the term of office of a new Director or Supervisor shall commence on the date on which resolutions of the general meeting for the election of such Director or Supervisor are approved.

## **CHAPTER 5 BOARD OF DIRECTORS**

### **Section 1 Directors**

**Article 99** The Directors of the Company are natural persons. A person may not serve as a Director of the Company if any of the following circumstances apply:

- (I) a person without legal or with restricted legal capacity;
- (II) a person who has been found guilty of sentenced for corruption, bribery, infringement of property, misappropriation of property or sabotaging the socialist market economic order where less than a term of 5 years have elapsed since the sentence was served; or a person who has been deprived of his political rights, in each case where less than 5 years have elapsed since the sentence was served; or a person who has been imposed probation, where less than two years have elapsed since the expiration of the probationary period;
- (III) a person who is a former Director, factory manager or manager of a company or enterprise which has been entered into insolvent liquidation and he/she is personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;

- (IV) a person who is a former legal representative of a company or enterprise which had its business licence revoked or is ordered to close down due to a violation of the law and who incurred personal liability, where less than 3 years has elapsed since the date of the revocation of the business licence or the closure order;
- (V) a person who has a relatively large amount of debts due and outstanding and being listed as a person subject to enforcement for dishonesty by the People's Court;
- (VI) a person who currently being barred by the CSRC from participating in the securities market;
- (VII) other circumstances as required under laws, administrative regulations or departmental rules.

Where the Company elects or appoints a Director to which any of the above circumstances applies, such election, appointment or employment shall be null and void. A Director to which any of the above circumstances applies during his/her term of office shall be released of his/her duties by the Company.

**Article 100** Directors shall be elected or replaced at the general meeting and serve a term of 3 years. The term of a Director is renewable by re-election after its expiry. The re-election of the independent Director(s) shall be subject to a separate resolution to be approved by the shareholders' general meeting if the term of office exceeds 9 years unless otherwise provided by the relevant laws, regulations and the listing rules of the stock exchange where the Company's shares are listed.

A Director's term of service commences from the date he/she takes office, until the current term of service of the Board ends. A Director shall continue to perform his/her duties as a Director in accordance with the laws, administrative regulations, departmental rules and the Articles of Association until a re-elected Director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office.

Any person appointed by the Board to fill a temporary vacancy on or as an addition to the Board shall hold office only until the next general meeting of the Company following his/her appointment, and shall then be eligible for re-election.

Where not otherwise provided by laws, regulations and regulatory rules of the place where the shares of the Company are listed, the Shareholders shall have power by ordinary resolution at the general meeting to remove any Director (including a managing or other executive Director) before the expiration of his/her term of office, but without prejudice to any claim for damages under any contract.

Subject to relevant laws and administrative regulations, shareholders may remove any Director whose term does not expire by an ordinary resolution at the general meeting (but without prejudice to any claim for damages under any contract).

The general manager or other senior management may concurrently serve as a Director, provided that the aggregate number of the Directors who concurrently serve as general manager or other senior management shall not exceed one half of all the Directors of the Company.

A Director need not hold any shares of the Company.

**Article 101** The Directors shall comply with the laws, administrative regulations and the Articles of Association, and owe fiduciary duties to the Company. They shall take measures to avoid conflicts between their personal interests and the Company's interests, and shall not exploit their positions to seek improper benefits.

The Directors shall faithfully perform their following obligations to the Company:

- (I) not to abuse their rights to accept bribes or other illegal income;
- (II) not to encroach on the property of the Company or misappropriate the funds of the Company;
- (III) not to deposit any assets or funds of the Company into accounts under their own names or the names of other individuals;
- (IV) not to violate the Articles of Association and lend the funds of the Company to others or provide guarantee to others with the Company's assets without approval of the general meetings or the Board;
- (V) not to directly or indirectly enter into contracts or transactions with the Company without reporting to the Board or the general meeting and obtaining resolutions passed by the Board or the general meeting in accordance with the provisions of these Articles of Association, as well as complying with the relevant requirements of the Hong Kong Listing Rules;
- (VI) not to use their position to obtain business opportunities which should be available to the Company for themselves or others. This restriction shall not apply if they report to the Board or the general meeting and obtain a resolution passed by the general meeting, or if the Company is unable to utilize such business opportunity in accordance with laws, administrative regulations, the Articles of Association, or the relevant requirements of the Hong Kong Listing Rules;
- (VII) not to operate, either on their own or for others, any business that competes with the Company without reporting to the Board or the general meeting and obtaining a resolution passed by the general meeting, as well as complying with the relevant requirements of the Hong Kong Listing Rules;
- (VIII) not to accept commissions in relation to transactions between other parties and the Company;
- (IX) not to disclose the secrets of the Company without consent;
- (X) not to use their connections to harm the interests of the Company;
- (XI) other fiduciary duties stipulated by the laws, administrative regulations, departmental rules and the Articles of Association.

The Company shall be entitled to the income gained by the Directors in violation of this Article; the Directors shall be liable for compensation if any loss is caused to the Company.

Close relatives of Directors, Supervisors or senior management, enterprises directly or indirectly controlled by Directors, Supervisors, senior management or their close relatives, and connected persons having other association relationships with Directors, Supervisors or senior management, when entering into contracts or transactions with the Company, shall be subject to the provisions of sub-paragraph (V) of paragraph 2 of this Article.

**Article 102** The Directors shall comply with the laws, administrative regulations and the Articles of Association and shall diligently perform their following obligations to the Company:

- (I) to exercise prudently, conscientiously and diligently the rights granted by the Company to ensure that the Company's commercial activities are in compliance with the laws, administrative regulations and the requirements of economic policies of China and that its commercial activities are within the scope stipulated in the business license;
- (II) to treat all shareholders equally and fairly;
- (III) to understand the operation and management of the Company in a timely manner;
- (IV) to approve regular reports of the Company in written form and to ensure the integrity, accuracy and completeness of the information disclosed by the Company;
- (V) to provide all relevant information and materials to the Board of Supervisors and shall not intervene the performance of duties by the Board of Supervisors or Supervisors;
- (VI) to perform other obligations of diligence stipulated by the laws, administrative regulations, departmental rules and the Articles of Association.

**Article 103** A Director who fails to attend the meetings of the Board in person for two consecutive times or by proxy shall be deemed as unable to perform his/her duties. The Board shall propose to the general meeting for removal of such Director.

**Article 104** A Director may resign before expiry of his/her term of service. When a Director resigns, he/she shall submit a written resignation notice to the Board.

If the member of the Board falls below the minimum statutory requirement due to a Director's resignation, the former Director shall still perform his/her duties as Director in accordance with the requirements of laws, administrative regulations, departmental rules and the Articles of Association before the appointment of the elected Director.

Save for the circumstances referred to in the preceding Article or where a later effective date of resignation is clearly stated in the resignation notice of the Director, the Director's resignation takes effect upon delivery of his/her resignation notice to the Board.

If the resignation of an independent Director results in the number of independent Directors of the Board of the Company being less than the quorum, the resignation notice of such independent Director shall be effective only after the succeeding independent Director has filled the vacancy.

**Article 105** When a Director's resignation takes effect or his/her term of service expires, the Director shall complete all transfer procedures with the Board. His/her loyal duties towards the Company and the shareholders do not necessarily cease within a reasonable period after the end of his/her term of service. The duty of confidentiality in respect of trade secrets of the Company shall still be in effect after the end of his/her term of office, until such trade secrets become publicly available information. The period for which other loyal duties may continue is determined according to the principle of fairness as well as the combined factors such as the nature of matter, the importance to the Company, the time of impact on the Company and the relationship with such Director, and shall still be effective within the reasonable duration specified by the Articles of Association.

**Article 106** Unless legally authorized by the Articles of Association or the Board, no Director shall act on behalf of the Company or the Board in his/her own name. When a Director acts in his/her own name and a third party reasonably considers such Director acts on behalf of the Company or the Board, such Director shall declare in advance his/her position and capacity.

**Article 107** Where a Director causes damage to others in the performance of their duties for the Company, the Company shall be liable for compensation; if the Director acted with willful misconduct or gross negligence, they shall also be personally liable for compensation.

A Director shall be personally liable for any loss suffered by the Company as a result of a violation by him/her of any laws, administrative regulations, departmental rules or the Articles of Association in the course of performing his/her duties.

**Article 108** Independent Directors refer to the Directors who do not hold any other positions in the Company (other than as a Director of the Company), and are not related to the Company and its substantial shareholders in a way that may hinder their independent and objective judgment, and comply with the independence requirements under the listing rules of the place where the Company's shares are listed. "Independent Directors" referred to in the Articles of Association shall be equivalent to "the independent non-executive Directors" under the Hong Kong Listing Rules.

The Board of the Company shall include independent Directors. There shall be no less than three independent Directors and they shall constitute no less than one-third of the Board. At least one independent Director shall possess the appropriate professional qualifications or have appropriate accounting or related financial management expertise.



**Article 109** If the number of the independent Directors of the Company does not satisfy the number, qualification or independence requirements under the Hong Kong Listing Rules at any time, the Company shall notify the Hong Kong Stock Exchange promptly, and shall state the particulars and reasons in the form of announcement. The Company shall also appoint sufficient independent Directors to meet the requirements of the Hong Kong Listing Rules within three months after its failure to comply with the relevant requirements.

**Article 110** Independent Directors shall faithfully perform their duties and safeguard the interests of the Company, with particular attention to ensuring that the legitimate rights and interests of public shareholders are not jeopardized, so as to ensure that the interests of all shareholders are adequately represented. The functions and powers of the independent Directors and the related matters shall be subject to the relevant provisions of the laws, administrative regulations, departmental rules and the regulation rules of the place where the Company's Shares are listed.

## **Section 2 Board of Directors**

**Article 111** The Company shall have a Board accountable to the general meeting.

**Article 112** The Board shall comprise 9 Directors, including one Chairman, and may have a vice chairman. More than one-third of the members of the Board shall be independent Directors and at least one of them shall be an accounting professional (the accounting professional shall mean a person who holds senior accountant title or is qualified as a certified accountant).

**Article 113** The Board shall exercise the following functions and powers:

- (I) to convene general meetings and report to general meetings;
- (II) to implement resolutions of general meetings;
- (III) to resolve on the Company's business plans and investment plans;
- (IV) to prepare the annual financial budgets and final accounting plans of the Company;
- (V) to prepare the profit distribution plan and loss makeup plan of the Company;
- (VI) to formulate proposals for the Company in respect of increase or reduction of registered capital, issue of bonds or other securities and the listing thereof;
- (VII) to formulate plans for material acquisitions, re-purchase of shares of the Company;
- (VIII) to formulate plans for merger, division, dissolution or transformation of the Company;
- (IX) to determine, within the authority granted by the general meeting, such matters as external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, connected transactions, external financing, etc.;



- (X) to carry out investment activities, acquisition or disposal of assets, financing activities and connected transactions that resolution of the Board is needed as required by the listing rules of the stock exchange where the shares of the Company are listed;
- (XI) to decide on the establishment of internal management organizations of the Company;
- (XII) to appoint or dismiss the general manager and secretary to the Board of the Company; to appoint or dismiss senior management officers including the chief finance officer in accordance with the nominations by general manager, and to determine their remunerations, rewards and penalties;
- (XIII) to set up the basic management system of the Company;
- (XIV) to formulate the proposals for any amendment to the Articles of Association;
- (XV) to propose to the general meeting the appointment or replacement of the accounting firm which provides audit services to the Company;
- (XVI) to listen to work reports of the general manager and review his/her work;
- (XVII) to manage the information disclosure of the Company;
- (XVIII) to exercise other functions and powers as stipulated by laws, administrative regulations, department rules, regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

The Board may resolve on the issues specified in the above paragraphs by approval of more than half of the Directors save for the issues specified in Sub-paragraphs (VI), (VIII) and (XIV), for which approval of more than two-thirds of the Directors is required.

**Article 114** The Board shall formulate the rules of procedure for meetings of the Board to ensure the implementation by the Board of the resolutions of general meeting, to improve efficiency and to have scientific decision-making. The rules of procedures for the Board shall be appended to the Articles of Association. It shall be formulated by the Board and approved by the general meeting.

**Article 115** The Board shall formulate stringent examination and approval system to determine the authority with respect to external investment, acquisition and disposal of assets, mortgage of assets, external guarantee, entrusted wealth management and connected transactions of the Company. Specialists or professionals shall be retained to evaluate major investment projects and such projects shall be reported to general meeting for approval.

**Article 116** The Chairman of the Company shall be elected by a majority of all members of the Board.

**Article 117** The chairman of the board shall exercise the following powers:

- (I) to preside over general meetings, and convene and preside over meetings of the Board;
- (II) to supervise and check the implementation of resolutions passed by the Board;
- (III) to sign the share certificates, corporate bonds and other securities issued by the Company;
- (IV) to sign material documents of the Board;
- (V) in the event of emergency situations such as the occurrence of large-scale natural disasters, to take special steps in handling the Company's business according to the laws and the Company's interest; and to report to the Company's Board and general meeting afterwards;
- (VI) Other powers conferred by the Board or regulatory rules of the place where the shares of the Company are listed.

The authorization of the Chairman by the Board shall be explicitly made by resolutions passed by the board, which shall include specific authorization matters, content and limits of authority. Issues involving material interests of the Company shall be subject to collective decision by the Board and Chairman or individual Director shall not be authorized to decide such issues by himself.

**Article 118** The vice chairman of the Company shall assist the Chairman. When the Chairman is unable to or does not carry out his/her duties, they shall be carried out by the vice chairman (if the Company has two or more vice chairmen, then those duties shall be carried out by the vice chairmen nominated by more than half of the Directors). If the Company has no vice chairman or the vice chairman is unable to or does not carry out his/her duties, a Director nominated by more than half of the Directors shall perform the duties.

**Article 119** The Board shall discuss matters in the form of Board meetings. Board meetings include regular meetings and extraordinary meetings. Regular Board meetings shall be held at least 4 times a year and shall be convened by the chairman. Notice of a regular Board meeting shall be given to all Directors and Supervisors at least 14 days in advance.

**Article 120** An extraordinary Board meeting may be held by request of shareholders representing more than 10% of the voting rights or by request of more than one-third of the Directors, more than two independent Directors or the Supervisory Committee, chairman or general manager. The chairman shall convene and preside over a Board meeting within 10 days after receipt of the proposal.

**Article 121** A reasonable notice should be given to all Directors by the Company before an interim Board meeting. In case of emergency where an interim Board meeting needs to be held as soon as possible, the service of notices for such interim Board meeting is not required to be subject to the time-limit stated in the preceding paragraph.

**Article 122** A notice of Board meeting shall at least contain the following contents:

- (I) date and place of the meeting;
- (II) duration of the meeting;
- (III) cause and topic;
- (IV) date of notice.

**Article 123** The Board meeting shall be held upon the attendance of more than half of Directors. A resolution of the Board must be passed by more than half of all Directors of the Company.

Resolutions of the Board are voted by way of poll with each Director having one vote. Where there is an equality of votes cast both for and against a resolution, the chairman of the Board shall have a casting vote.

**Article 124** If any Director has connection association with the enterprise involved in the resolution made at a board meeting, the said Director shall not vote on the said resolution for himself or on behalf of another Director. The Board meeting may be held when more than half of the non-connected Directors attend the meeting. The resolution of the Board meeting shall be passed by more than half of the non-connected Directors. If the number of non-connected Directors attending the meetings is less than 3, the issue shall be submitted to the general meeting for consideration.

**Article 125** Voting at Board meetings shall be conducted by open ballot or by a show of hands. Board meetings may be held by a meeting on-site or by circulation of a written resolution.

For the convenience of Directors attending a Board meeting, Board meetings held on site may adopt telephone, video or other real-time means of communication. Directors who participated in a Board meeting by the aforementioned means shall be deemed to have attended such on-site meeting.

If a Board meeting is convened by means of telephone, video or other real-time means of communication, the Company shall ensure that Directors can clearly hear other Directors present at the meeting and can communicate with each other. Board meetings convened by such means shall be recorded or videotaped. If Directors are unable to sign resolutions at such meetings in real time, a voice vote shall be used and the signing of resolutions shall be performed as soon as possible. The effectiveness of the voice vote by the Directors shall have equal effect with signed resolutions provided that the subsequent resolution signed is consistent with the voice vote made at the meeting. If there is any inconsistency between the voice vote and the signed resolution, the voice vote shall prevail.

If a Board meeting is convened by means of circulation of a written resolution, namely by serving the resolutions for review individually or by circulating the resolutions among the Directors for review, the Directors or other Directors appointed by them shall express their opinions for, against or abstain on the resolution or the ballot paper clearly. Once the number of Directors who sign in favor reaches the quorum for a resolution as required by the Articles, the proposal shall take effect. The Company shall provide explanations if a Board meeting is convened by means of circulation of a written resolution and matters to be voted and the related background materials shall be served on all Directors at least three days before voting.

**Article 126** Directors shall attend the meetings of the Board in person. Where a Director is unable to attend a meeting for any reason, he/she may, by a written power of attorney, appoint another Director to attend the meeting on his/her behalf. The power of attorney shall set out the name of the attorney, issues under authorization, scope of authorization and valid period, which will be signed or sealed with the chop by the appointing Director. A Director appointed as a representative of another Director to attend the meeting shall exercise the rights of a Director within the scope of authority conferred by the appointing Director. Where a Director is unable to attend a meeting of the Board and has not appointed a representative to attend the meeting on his/her behalf, he/she shall be deemed to have waived his/her right to vote at the meeting.

**Article 127** The Board shall keep minutes of resolutions passed at the Board meetings. The minutes shall be signed by the Directors present at the meeting.

If a resolution of the Board violates the laws, administrative regulations or the Articles of Association and the Company suffers serious losses as a result thereof, the Directors who participated in the passing of such resolution are liable to compensate the Company therefor. However, if it can be proven that a Director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such Director may be released from such liability.

Minutes of the Board meeting shall be kept as the Company's record for a period of no less than 10 years.

**Article 128** The minutes of a Board meeting shall include the following contents:

- (I) date and place of the meeting and name of the convener;
- (II) names of the Directors attending the meeting and names of the Directors (proxies) appointed by others to attend the board meeting;
- (III) agenda of the meeting;
- (IV) main points of Directors' speeches;
- (V) method and results of the voting for each proposal (the voting result should specify the of votes for and against the proposal or abstention).

### **Section 3 Special Committees of the Board**

**Article 129** The Board of the Company has established the strategy committee, the audit committee, the nomination committee, the remuneration committee and the environmental, social and corporate governance (ESG) committee which are all comprised of Directors. In particular, more than half of the members of the audit committee, the nomination committee, the remuneration committee are independent Directors. The conveners of the audit committee and the remuneration committee shall be independent Directors and the convener of the nomination committee shall be the chairman or an independent Director. All members of the audit committee shall be non-executive Directors or independent Directors, at least one of whom shall be an independent Director who possesses appropriate professional qualifications provided in the Hong Kong Listing Rules or possesses appropriate accounting or relevant financial management expertise. Chairman of each of the special committees shall be appointed and dismissed by the Board.

**Article 130** The Board is responsible for formulating the rules of procedure of the special committees and stipulating the composition, functions and procedures of the special committees.

**Article 131** These special committees are ad hoc committees under the Board which provide advice or advisory opinions to the Board on material decisions. The special committees shall not make any decision in the name of the Board. However, the committees may exercise decision-making power in respect of the authorized matters in accordance with a special power given by the Board.

**Article 132** Each of special committees can engage intermediate organizations to provide professional advises according to the actual requirement with the cost borne by the Company.

Each of special committees is accountable to and reports its work to the Board.

### **CHAPTER 6 GENERAL MANAGER AND OTHER SENIOR MANAGEMENT**

**Article 133** The Company shall have one general manager, and several deputy general managers as needed, one chief financial officer and one secretary to the Board, all of whom shall be appointed and dismissed by the Board.

**Article 134** The provision of Article 99 hereof in relation to non-appointment as a director also applies to senior management. The provisions in relation to the Directors' duty of loyalty and duty of diligence apply to senior management.

**Article 135** Any person holding any position in the controlling shareholder and de facto controller of the Company other than as a Director shall not serve as senior management of the Company.

**Article 136** The term of office of the general manager shall be 3 years, renewable upon re-appointment at expiry of one term.

**Article 137** The general manager, who reports to the Board, may exercise the following functions and powers:

- (I) to manage the production, operation and administration of the Company, arrange for the implementation of the resolutions of the Board, and report to the Board;
- (II) to arrange for the implementation of the Company's annual operation plans and investment proposals;
- (III) to formulate proposals for the establishment of the Company's internal management organs;
- (IV) to formulate the fundamental management system of the Company;
- (V) to formulate the specific rules and regulations of the Company;
- (VI) to recommend the appointment or dismissal of the deputy general manager and chief financial officer of the Company by the Board;
- (VII) to appoint or dismiss management personnel (other than those required to be appointed or dismissed by the Board);
- (VIII) to exercise any other functions and powers conferred by the Articles of Association or the Board.

The general manager shall be present at meetings of the Board. However, the general manager shall have no voting rights at meetings of the Board unless he/she concurrently serves as a Director.

**Article 138** The general manager shall formulate working rules of the general manager, which shall be implemented after being approved by the Board.

**Article 139** The working rules of the general manager shall include:

- (I) the conditions, procedure and participants of the general manager's meeting;
- (II) specific responsibilities and work allocation of the general manager and other senior management;
- (III) use of funds and assets of the Company, scope of authorization to enter into material contracts and reporting policies regarding the Board and the Supervisory committee;
- (IV) other matters which the Board deems necessary.

**Article 140** The general manager and other senior management may resign before expiry of their term of office. The specific procedures and methods for such resignation shall be specified in the employment contract concluded by such personnel and the Company.



**Article 141** The deputy general manager and the chief financial officer shall be nominated by the general manager, and shall be appointed or dismissed by the Board.

**Article 142** The Company shall have one secretary to the Board, who shall be a natural person with requisite professional knowledge and experience and shall be appointed by the Board. The major duties of the secretary to the Board are:

- (I) to ensure that the Company has complete organization documents and records;
- (II) to ensure that the Company prepares and submits reports and documents as required by relevant competent authorities in accordance with the law;
- (III) to ensure that register of members of the Company is established appropriately, maintain the registers of the shareholders, Directors and senior management and the documents and minutes of the general meeting, board meetings and meetings of special committees under the Board, and ensure that persons who are entitled to obtain the Company's records and documents can timely obtain the relevant records and documents.
- (IV) to organize and arrange for the board meetings and shareholders' general meetings, prepare meeting materials, handle relevant meeting affairs, be responsible for keeping minutes of the meetings and ensure their accuracy, keep meeting documents and minutes and take initiative to keep up with the implementation of relevant resolutions; to report any important issues occurred during the implementation and make relevant proposals to the Board.
- (V) to be responsible for matters pertaining to information disclosure of the Company, and ensure the timeliness, accuracy, lawfulness, authenticity and completeness of the Company's information disclosure;
- (VI) such other duties specified by the rules of the stock exchange in the place where the shares of the Company are listed.

**Article 143** A Director or other senior management of the Company may concurrently act as the secretary to the Board of the Company. Accountants of the accounting firm appointed by the Company shall not concurrently act as the secretary to the Board.

Where the office of secretary to the Board of the Company is held concurrently by a Director, and an act is required to be done by a Director and the secretary to the Board of the Company separately, the person who holds the office of Director and secretary to the Board of the Company may not perform the act in a dual capacity.

**Article 144** If the senior management violates laws, administrative regulations, department rules or the Articles of Association when performing his/her duties in the Company, he/she shall indemnify the Company against losses incurred due to such violation.

## **CHAPTER 7 BOARD OF SUPERVISORS**

### **Section 1 Supervisors**

**Article 145** The provision of Article 99 hereof in relation to non-appointment as a director also applies to supervisors. Directors, general managers and other senior management members shall not act concurrently as Supervisors.

**Article 146** Supervisors are required to comply with the laws, administrative regulations and the Articles of Association, and shall be obliged to be faithful and diligent towards the Company. Supervisors are prohibited from abusing their authority in accepting bribes or other unlawful income and from misappropriating the Company's property.

**Article 147** Each term of office of a Supervisor is three years and he/she may serve consecutive terms if re-elected.

**Article 148** A Supervisor shall continue to perform his/her duties as a Supervisor in accordance with the laws, administrative regulations and the Articles of Association until a duly re-elected Supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of Supervisor results in the number of Supervisors being less than the quorum.

**Article 149** Supervisors may be present at Board meetings and make inquiries or proposals in respect of the resolutions of the Board.

**Article 150** No Supervisors may prejudice the interests of the Company by taking advantage of his/her connected relationship and any loss resulted therefrom to the Company shall be liable for compensation.

**Article 151** A Supervisor who contravenes laws, administrative regulations, department rules or the Articles of Association in the performance of his/her duties resulting in any loss to the company shall be liable to the Company for compensation.

### **Section 2 Board of Supervisors**

**Article 152** The Company shall have a Board of Supervisors. The Board of Supervisors comprises three members. It shall have one chairman. The election or removal of the chairman of the Board of Supervisors shall be determined by more than two-thirds of the members of the Board of Supervisors. The chairman of the Board of Supervisors shall convene and preside over Board of Supervisors meetings. Where the chairman of the Board of Supervisors is incapable of performing, or is not performing his/her duties, a Supervisor elected by more than half of the Supervisors shall convene and preside over Board of Supervisors meetings.

The Board of Supervisors shall consist of representatives of the shareholders and an appropriate proportion of representatives of the Company's staff, among which the proportion of representatives of the Company's staff shall not be less than one-third. Representatives of the staff at the Board of Supervisors shall be democratically elected by the Company's staff at the staff representative assembly, general staff meeting or otherwise.

**Article 153** The Board of Supervisors shall be responsible to the general meeting and shall exercise the following functions and powers:

- (I) to check the financial condition of the Company and review the periodic reports of the Company prepared by the Board and express its written opinion;
- (II) to monitor the performance of duties in the Company by Directors and senior management and propose dismissal of Directors and senior management who have violated laws, administrative regulations, the Articles of Association or the resolutions of general meetings;
- (III) to require Directors and the senior management to make corrections if their conduct has damaged the interests of the Company;
- (IV) to propose the convening of extraordinary general meetings and, in case the Board does not perform the obligations to convene and preside over the general meetings in accordance with Company Law, to convene and preside over the general meetings;
- (V) to propose proposals to the general meetings;
- (VI) to initiate legal proceedings against Directors and the senior management in accordance with laws;
- (VII) to investigate any unusual activities in the Company's operations; and if necessary, to engage an accounting firm, law firm or other professional institutions to assist in their investigation at the expense of the Company;
- (VIII) to verify the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the Board to the general meetings and, should any queries arise, to authorize, in the name of the Company, a re-examination by the certified public accountants and practicing auditors of the Company for the time being;
- (IX) Other functions and powers specified in the Articles of Association.

**Article 154** All reasonable expenses incurred in respect of the employment of professionals such as lawyers, certified public accountants or practicing auditors as are required by the Board of Supervisors in exercising its functions and powers shall be borne by the Company.

**Article 155** The method for discussions of the Board of Supervisors shall be the meetings of the Board of Supervisors. As for the voting on a resolution of the Board of Supervisors, each Supervisor shall have one vote. The voting can be conducted by open ballot in writing or otherwise. There are two types of meeting of the Board of Supervisors: regular meeting and extraordinary meeting. The Board of Supervisors shall hold one regular meeting every six months. A Supervisor may propose to convene an extraordinary meeting of the Board of Supervisors.

**Article 156** The notice convening a regular meeting or an extraordinary meeting of the Board of Supervisors shall be served to all Supervisors 10 days and 5 days in advance respectively.

**Article 157** Notice of the meeting of the Board of Supervisors shall at least include:

- (I) the date, place and duration of the meeting;
- (II) particulars of a matter and the matters to be discussed;
- (III) the date on which the notice is given.

**Article 158** The meetings of the Board of Supervisors may be held by a meeting on-site or by circulation of a written resolution.

For the convenience of Supervisor attending a meeting of the Board of Supervisors, the meetings of the Board of Supervisors may be held on-site, or by means of telephone, video or other real-time means of communication. Supervisor who participated in a meeting of the Board of Supervisors by the aforementioned means shall be deemed to have attended such on-site meeting.

If a meeting of the Board of Supervisors is convened by means of telephone, video or other real-time means of communication, the Company shall ensure that speeches by other Supervisors can be heard clearly by Supervisors present at the meeting participating in the meeting and can communicate with each other. The meetings of the Board of Supervisors convened by such means shall be audio recorded or videotaped. If Supervisors are unable to sign resolutions at such meetings, a voice vote shall be used and the signing of resolutions shall be performed as soon as possible. The effectiveness of the voice vote by the Supervisors shall have equal effect with signed resolutions provided that the subsequent resolution signed is consistent with the voice vote made at the meeting. If there is any inconsistency between the voice vote and the signed resolution, the voice vote shall prevail.

If a meeting of the Board of Supervisors is convened by means of circulation of a written resolution, namely by serving the resolutions for review individually or by circulating the resolutions among the Supervisors for review, the Supervisors or other Supervisors appointed by them shall express their opinions for, against or abstain on the resolution or the ballot paper clearly. Once the number of Supervisors who sign in favor reaches the quorum for a resolution as required by the Articles of Association, the proposal shall take effect. The Company shall provide explanations if a meeting of the Board of Supervisors is convened by means of circulation of a written resolution and matters to be voted and the related background materials shall be served on all Supervisors at least 3 days before voting.

A resolution of the Board of Supervisors must be approved by more than half of the Supervisors.

**Article 159** The Board of Supervisors shall formulate procedural rules to be followed at meetings of the Board of Supervisors, specify the method for discussions and the voting procedures of the Board of Supervisors, so as to ensure the working efficiency and scientific decision making of the Board of Supervisors.

**Article 160** The Board of Supervisors shall record decision on matters discussed in the minutes for the meeting. Supervisors who attended the meeting shall sign on the minutes for the meeting.

A Supervisor is entitled to request for some descriptive record to be made with regard to his/her speech in the meeting. The minutes of the meeting of the Board of Supervisors shall be kept for at least 10 years as document of the Company.

## **CHAPTER 8 FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT**

### **Section 1 Financial and Accounting System**

**Article 161** The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the requirement of relevant regulatory departments of the PRC. Any other requirements as required by the securities regulatory authority at the place where the shares of the Company are listed shall prevail.

**Article 162** The Company's fiscal year adopts the Gregorian calendar year system, that is, the fiscal year starts from January 1 to December 31 of the Gregorian calendar every year.

**Article 163** At the end of each fiscal year, the Company shall prepare a financial report which shall be audited and verified according to law.

**Article 164** The Board shall submit the financial reports required by relevant laws, regulations, rules and normative documents to be submitted to shareholders at each annual general meeting.

The financial report mentioned in the preceding paragraph shall include the Directors' report and the balance sheet (including all other documents to be attached in accordance with the requirements of the PRC laws, other laws, and administrative regulations), the profit and loss statement (the profit statement) or the statement of income and expense (the statement of cash flow) or (under the condition of no violation of the PRC laws) financial highlights approved by the Hong Kong Stock Exchange.

**Article 165** The financial statements of the Company shall, in addition to being prepared in accordance with the PRC accounting standards and regulations, be prepared in accordance with either international accounting standards, or that of the overseas listing place. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, such difference shall be stated in an appendix to the financial statements. When the Company is to distribute its after-tax profits, the lower of the after-tax profits as shown in the two financial statements shall be adopted.

**Article 166** Any interim results or financial information published or disclosed by the Company must be prepared in accordance with the PRC accounting standards and regulations, and also in accordance with either international accounting standards or that of the overseas listing place.

**Article 167** The Company shall publish its financial reports twice every fiscal year, that is, the interim financial report shall be published within 60 days after the first 6-month period of each fiscal year and the annual financial report shall be published within 120 days after the expiration of each fiscal year.

The Company shall publish its result announcement twice every fiscal year, that is, the interim result announcement shall be published within 2 months after the first 6-month period of each fiscal year and the annual result announcement shall be published within 3 months after the expiration of each fiscal year.

Any other requirements as required by the listing rules at the place where the shares of the Company are listed shall prevail.

**Article 168** The Company shall have no accounting books other than the statutory books. The Company's assets shall not be deposited in any account opened under the name of an individual.

**Article 169** When distributing each year's profits after taxation, the Company shall set aside 10% of its profits for the Company's statutory common reserve fund until the fund has reached more than 50% of the PRC Company's registered capital.

When the Company's statutory common reserve fund is not sufficient to make up for the Company's losses for the previous years, the current year's profits shall first be used to make good the losses before any allocation is set aside for the statutory common reserve fund.

After the Company has made allocations to the statutory common reserve fund from its profits after taxation, it may, upon passing a resolution at a shareholders' general meeting, make further allocations from its profits after taxation to the discretionary common reserve fund.

After the Company has made good its losses and made allocations to its discretionary common reserve fund, the remaining profits after taxation shall be distributed in proportion to the number of shares held by the shareholders, except for those which are not distributed in a proportionate manner as provided by the Articles of Association.

Profits distributed to shareholders by a resolution of a shareholders' general meeting before losses have been made good and allocations have been made to the statutory common reserve fund in violation of the requirements described above must be returned to the Company.

The Company shall not be entitled to any distribution of profits in respect of its own shares held by it.



**Article 170** The common reserve fund of the Company shall be applied to make good the Company's losses, expand its business operations or increase its capital. When using the common reserve fund to make good the Company's losses, the Company shall first apply the discretionary reserve fund and statutory reserve fund. If the losses still cannot be fully covered, the capital reserve fund may be used in accordance with relevant regulations. Capital reserve fund includes the following items:

- (I) premium over the nominal value per share on issue;
- (II) other income as required by the regulations of the finance regulatory department of the State Council to be treated as the capital reserve fund.

Upon the transfer of the statutory common reserve fund into capital, the balance of the fund shall not be less than 25% of the registered capital of the Company before such transfer.

**Article 171** After the resolution on the profit distribution plans is made, the Board of the Company shall, within two months after the general meeting, complete the distribution of the dividend (or shares).

**Article 172** The Company may distribute profit in the form of cash or shares.

The Company pays cash dividends and other payments to domestic shareholders directly holding shares of the Company in RMB; the Company pays cash dividends and other payments to overseas shareholders directly holding shares of the Company, which are denominated and declared in RMB, and paid in foreign currencies, and the Company pays cash dividends and other payments to shareholders holding shares of the Company by means of Shanghai-Hongkong Stock Connect and/or Shenzhen-Hongkong Stock Connect, in accordance with the relevant provisions of Shanghai-Hongkong Stock Connect and/or Shenzhen-Hongkong Stock Connect. The foreign currency required by the Company to pay cash dividends and other payments to shareholders shall be handled in accordance with the relevant state regulations on foreign exchange management.

Unless otherwise stipulated by relevant laws and regulations, when paying cash dividends and other payments in foreign currency, the exchange rate shall be the average of the central parity rates announced by the People's Bank of China one calendar week prior to the day when the dividends and other payments are announced.

## **Section 2 Engagement of Accounting Firm**

**Article 173** The Company shall appoint an independent accounting firm which is qualified under the relevant regulations of the state to audit the Company's annual financial statements, and to review the Company's other financial reports.

**Article 174** The appointment of an accounting firm by the Company shall be decided by the shareholders' general meeting. The Board may not appoint an accounting firm before the decision is made by the general meeting. The term of service shall be one year, which is renewable upon expiry of the term.

**Article 175** The Company warrants that it will provide the accounting firm engaged by it with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information, and shall not refuse to do so, conceal relevant facts or give false information.

**Article 176** The audit fee of the accounting firm shall be determined by the general meeting.

**Article 177** Should the Company dismiss or no longer re-appoint the accounting firm, it shall notify such accounting firm 30 days in advance. When the general meeting votes for the dismissal of such accounting firm, such accounting firm shall be allowed to express their opinions.

Where the accounting firm resigns its office, it shall make clear to the general meeting whether there has been any impropriety on the part of the Company.

An accounting firm may resign its office by depositing a resignation notice at the Company's registered office. Such notice shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall include the following statements:

- (I) a statement declaration of that there are no circumstances connected with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company; or
- (II) a statement of any other circumstances requiring an explanation.

If the notice contains a statement as mentioned in sub-paragraph (II) of the preceding paragraph, a copy of such statement shall be placed at the Company for the inspection of Shareholders and the Company shall send a copy of such statement to each shareholder who is entitled to receive the report regarding financial conditions of the issuer.

Except as otherwise provided in the Articles of Association, the Company shall also send a copy of such statement by prepaid mail to every holder of overseas listed shares at the address recorded in the register of members; or the Company shall, within 14 days after receiving the aforesaid written notice, issue or publish such statement through the website of the stock exchange where the shares of the Company are listed or on one or more newspapers designated thereby and stipulated in the Articles of Association, subject to compliance with the laws, regulations and the Hong Kong Listing Rules.

If the notice of resignation of accounting firm contains a statement as referred to in sub-paragraph (II) in the third paragraph of this Article, it may require the Board to convene an extraordinary general meeting for the purpose of giving an explanation of the circumstances in connection with its resignation.

## CHAPTER 9 NOTICES AND ANNOUNCEMENTS

**Article 178** The notices of the Company (including but not limited to the notice of convening the general meeting, the meeting of the Board and the meeting of the Supervisory Committee) shall be sent out in the following ways:

- (I) by hand;
- (II) by facsimile;
- (III) by post;
- (IV) by email;
- (V) by way of announcement;
- (VI) by announcement on the newspaper and other designated media;
- (VII) by publishing on the website designated by the Company and the stock exchange in the place where the shares of the Company are listed in compliance with laws, administrative regulations, departmental rules, regulatory documents and the Articles of Association;
- (VIII) by other means approved by the securities regulatory authority at the location where the shares of the Company are listed or specified in the Articles of Association.

Any notice of the Company given by announcement shall be deemed to be received by all relevant persons once such announcement is published. Where the securities regulatory authority of the place where the shares of the Company are listed provide otherwise, such provisions shall prevail.

Even if there are provisions as otherwise stated in the Articles of Association in respect to the form of any other documents, announcements, or other newsletters or notices, as permitted by relevant provisions of the securities regulatory authority at the location where the shares of the Company are listed, the Company may publish newsletters by the form specified in paragraph (VII) of the first paragraph of this Article, instead of serving written documents to holders of overseas listed shares by personal delivery or pre-paid mail. The abovementioned newsletters refer to any documents published or to be published by the Company for reference or action guidance for shareholders, including but not limited to annual reports (including annual financial reports), interim reports (including interim financial reports), Directors' reports (together with balance sheet and income statement), notices of general meeting, circulars and other communication files.

**Article 179** The date of service of the Company's notice:

- (I) If sent by hand, the recipient or its agent shall affix signature (or seal) to the return on service and the signing date shall be the date of service;
- (II) If sent by facsimile, the sending date of the fax shall be the date of service;
- (III) If sent by post, the second business day after the post shall be the date of service;
- (IV) If sent by telegram, the second business day after the sending date of the telegram shall be the date of service;
- (V) If sent by announcement, the date of first announcement shall be the date of service.

**Article 180** The accidental omission to give notice of meeting to, or the non-receipt of notice of meeting by, any person entitled to receive notice shall not invalidate the meeting and the resolutions adopted at such meeting.

**Article 181** If the securities regulatory authority at the location where the shares of the Company are listed stipulates that the Company shall send, post, distribute, issue, announce or otherwise provide relevant documents of the Company in English and Chinese, if the Company has made appropriate arrangement to confirm whether the Shareholders hope to receive only the English version or the Chinese version, the Company may (as per the intent stated by the Shareholders) send only the English version or the Chinese version to the related shareholders within the range allowed by the applicable laws and regulations and pursuant to the applicable laws and regulations.

**Article 182** The Company shall issue announcements and disclose information to shareholders of the company under the laws, administrative regulations, departmental rules and the requirements of regulatory authorities of the places where the Company's shares are listed.

## **CHAPTER 10 MERGER, DIVISION, INCREASE AND REDUCTION OF CAPITAL, DISSOLUTION AND LIQUIDATION**

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

**Article 183** The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

Absorption means that a company absorbs another company and the absorbed company will be dissolved. Where two or more companies merge into a new company, the original companies will be dissolved.

**Article 184** In the event of the merger or division of the Company, a proposal shall be presented by the Board and shall be approved by the general meeting in accordance with the procedures stipulated in the Articles of Association. The Company shall then undertake the relevant approval process in a manner prescribed by law. Unless otherwise stipulated in the Hong Kong Listing Rules, mergers and acquisitions where the consideration paid by the Company does not exceed 10% of the Company's net assets shall be approved by a Board resolution without requiring a resolution at the shareholders' general meeting. A Shareholder who objects to the proposal of merger or division shall be entitled to demand the Company or the Shareholders who consent to the proposal of merger or division to acquire such dissenting Shareholders' shareholding at a fair price. The contents of the resolution of merger or division of the Company shall be compiled into special documents which shall be available for inspection by the Shareholders of the Company.

**Article 185** In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days after the date of the Company's resolution approving the merger and shall publish a public notice in newspapers or through the National Enterprise Credit Information Publicity System within 30 days thereafter. The creditors are entitled to require the Company to settle the loans or to provide corresponding guarantees within 30 days after the receipt of the written notification, or in the event that no such notification is received, within 45 days after the date of the announcement.

**Article 186** Upon the merger, receivables and indebtedness of each of the merging parties shall be assumed by the company which survives the merger or the newly established company.

**Article 187** Where there is a division of the Company, its assets shall be divided up accordingly.

In the event of division of the Company, the parties shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days after the date of the Company's resolution approving the division and shall publish a public announcement in newspapers or through the National Enterprise Credit Information Publicity System within 30 days thereafter.

**Article 188** Debts of the Company prior to division shall be assumed jointly by the companies which exist after the division, unless agreed otherwise in the written agreement signed between the Company and creditors in respect of settlement of such debts prior to the division.

**Article 189** A balance sheet and an inventory of assets must be prepared by the Company if it needs to reduce registered capital.

The Company shall notify its creditors within 10 days from the date of the resolution for reduction of registered capital and shall publish a public announcement in newspapers or through the National Enterprise Credit Information Publicity System within 30 days thereafter. The creditors are entitled to require the Company to settle the loans or to provide corresponding guarantees within 30 days after the receipt of the written notification, or in the event that no such notification is received, within 45 days after the date of the announcement.

**Article 190** The Company shall, in accordance with the laws, apply for change in its registration particulars with the company's registration authority where a change in any item in its registration arises as a result of any merger or division. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with law. Where a new company is established, that company shall apply for registration in accordance with the law.

Where the Company increase or reduce its registered capital, the Company shall, in accordance with law, apply for change in its registration with the company registration authorities.

## **Section 2 Dissolution and Liquidation**

**Article 191** The Company shall be dissolved upon the occurrence of the following events:

- (I) the term of its operation set out in the Articles of Association has expired or other dissolution events specified herein has occurred;
- (II) a resolution for dissolution is passed by Shareholders at a general meeting;
- (III) dissolution is necessary due to a merger or division of the Company;
- (IV) the Company's business license is revoked or the Company is ordered to close down or de-registered according to laws;
- (V) where the Company gets into serious trouble in operation and management and its continuation may cause substantial loss to the interests of Shareholders, and no solution can be found through any other channel, Shareholders representing more than 10% of the voting rights of all Shareholders of the Company may request the People's Court to dissolve the Company.

Where any dissolution event under the preceding paragraphs occurs, the Company shall publicize the dissolution cause through the National Enterprise Credit Information Publicity System within ten days.

**Article 192** The Company may continue to exist by amending the Articles of Association or through a resolution passed at a shareholders' general meeting in the event of the circumstances as set forth in paragraphs (I) and (II) of the preceding Article, and where the Company has not yet distributed its assets to shareholders.

The amendment to the Articles of Association according to the preceding article shall be passed by two-thirds of the voting rights held by Shareholders present at the general meeting.

**Article 193** In the case of dissolution of the Company under paragraphs (I), (II), (IV) and (V) of Article 191 hereof, it shall undergo liquidation. The Directors shall be the liquidation obligors and shall form a liquidation committee within fifteen days from the occurrence of the dissolution event to conduct liquidation.



The liquidation committee shall be composed of Directors, unless otherwise stipulated in the Articles of Association or a shareholders' general meeting resolves to appoint other persons.

Where liquidation obligors fail to perform their liquidation obligations in a timely manner, causing losses to the Company or its creditors, they shall be liable for compensation.

**Article 194** The liquidation committee may exercise following powers during the liquidation:

- (I) to sort out the Company's assets and prepare a statement of assets and liabilities and an inventory of assets;
- (II) to notify or publish announcements to the creditors;
- (III) to deal with any outstanding business related to the liquidation;
- (IV) to pay any overdue tax together with any tax arising during the liquidation process;
- (V) to settle claims and liabilities;
- (VI) to handle the Company's remaining assets after its debts have been paid off;
- (VII) to represent the Company in any civil procedures.

**Article 195** The liquidation committee shall notify the Company's creditors within 10 days of its establishment, and publish an announcement in newspapers or through the National Enterprise Credit Information Publicity System within 60 days. A creditor shall lodge his claim with the liquidation committee within 30 days of receipt of the notification or within 45 days of the date of the announcement if he has not received any notification.

A creditor shall report all matters relevant to his claimed creditor's rights and furnish relevant evidence. The liquidation committee shall register such creditor's rights.

The liquidation committee shall not make any settlement to creditors during the period of the claim.

**Article 196** Upon disposal of the Company's property and preparation of the required statement of assets and liabilities and inventory of assets, the liquidation committee shall draw up a liquidation plan and submit this plan to a shareholders' general meeting or a People's Court for endorsement.

The Company's property shall be discharged in the following order:

- (I) payment of liquidation expenses;
- (II) payment of employee wages, social insurance expenses and statutory compensation;

(III) payment of outstanding taxes;

(IV) settlement of the Company's debts;

(V) distribution to shareholders in proportion to shares held by them.

The Company shall continue to exist during the liquidation period, although it cannot conduct operating activities that are not related to the liquidation. The Company's property shall not be distributed to shareholders before repayments are made in accordance with the requirements described in the sub-paragraphs (I) to (IV) of the preceding paragraph.

**Article 197** Upon liquidation of the Company's property and preparation of the required statement of assets and liabilities and inventory of assets, if the liquidation committee becomes aware that the Company does not have sufficient assets to meet its liabilities, it must apply to a People's Court for a declaration of bankruptcy in accordance with the laws.

Following such declaration by the People's Court, the liquidation committee shall hand over the administration of the liquidation to the People's Court.

**Article 198** Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report and submit the same to the general meeting or the People's Court for confirmation, and submit to the companies registration authority and apply for cancellation of registration of the Company, and publish a public announcement relating to the termination of the Company.

**Article 199** Members of the liquidation committee shall be faithful in the discharge of their duties and shall perform their liquidation duties in compliance with laws.

Members of the liquidation committee shall be prohibited from abusing their authority in accepting bribes or other unlawful income and from misappropriating the Company's properties.

Members of the liquidation committee who have caused the Company or its creditors to suffer from any loss due to intentional fault or gross negligence, should be liable for making compensations to the Company or its creditors.

**Article 200** Liquidation of a company declared bankrupt according to laws shall be processed in accordance with the laws on corporate bankruptcy.

## **CHAPTER 11 AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

**Article 201** The Company may amend the Articles of Association in accordance with the requirements of laws, administrative regulations and the Articles of Association.

**Article 202** Under any one of the following circumstances, the Company shall amend its Articles of Association:

- (I) after amendment has been made to the Company Law or relevant laws or administrative regulations, the contents of the Articles of Association shall conflict with the amended laws or administrative regulations;
- (II) the changes that the Company have undergone are inconsistent with the records made in the Articles of Association;
- (III) the general meeting decides that the Article of Association should be amended.

The shareholders may authorize the Board of the Company by ordinary resolution at the general meeting:

- (I) in case of increase of registered share capital of the Company, the Board of the Company is entitled to amend the relevant content regarding the registered capital of the Company in the Articles of Association in accordance with the actual circumstances;
- (II) in case of alteration of the text or order of the provisions required by the relevant regulatory authority during the registration, audit and approval of the Articles of Association of the Company approved by the general meeting, the Board of the Company is entitled to make the corresponding amendments according to the requirements of the relevant regulatory authority.

**Article 203** Amendments to the Articles of Association passed by resolutions at the general meeting shall be required to be examined; where the amendments involve the registered particulars of the Company, procedures for change of registration shall be handled in accordance with the law.

## **CHAPTER 12 SETTLEMENT OF DISPUTES**

**Article 204** The Company shall abide by the following principles for dispute resolution:

- (I) Whenever any disputes or claims of rights arise between: holders of the H shares and the Company's Directors, Supervisors, general manager or other senior management, in respect of any rights or obligations as provided in the Articles of Association, the Company Law and other relevant laws and administrative regulations concerning the affairs of the Company, such disputes or claims shall be referred by the relevant parties to arbitration.

Where a dispute or claim referred to in the preceding paragraph is referred to arbitration, the entire claim or dispute must be referred to arbitration, and all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall, where such person is the Company, the shareholders, Directors, Supervisors, general manager or other senior management of the Company, comply with the arbitration.

Disputes in respect of the definition of shareholders and disputes in relation to the register of members need not be resolved by arbitration.

- (II) A claimant should elect for arbitration to be carried out at the China International Economic and Trade Arbitration Commission in accordance with its Rules in Shanghai.
- (III) If any disputes or claims of rights are settled by way of arbitration in accordance with paragraph (I), the laws of the PRC shall apply, save as otherwise provided in the laws, administrative regulations.
- (IV) The award of an arbitral body shall be final and conclusive and binding on all parties.

## **CHAPTER 13 SUPPLEMENTARY PROVISIONS**

### **Article 205 Definitions**

- (I) a de facto controller means a person who, though not a shareholder, but through investment relationships, agreements, or other arrangements, may actually control the activities of the Company.
- (II) the “connected transaction” refers to that as defined in the Hong Kong Listing Rules.
- (III) the meaning of an “accounting firm” is the same as that of “auditors”.
- (IV) the meaning of each of the “Shareholders’ meeting”, “extraordinary shareholders’ meeting” and “annual shareholders’ meeting” is the same as each of the “General Meeting (股東大會)”, “Extraordinary General Meeting (臨時股東大會)” and “Annual General Meeting (年度股東大會)” respectively, under the Hong Kong Listing Rules.

**Article 206** The Articles of Association are written in Chinese. In case of any inconsistency between the articles of association in any other language or of different version and the Articles of Association, the Chinese version of the Articles of Association shall prevail.

**Article 207** The term “more than”, “within”, “below”, as stated in the Articles of Association shall all include the given figure; the term “lower”, “above”, “less than” shall all exclude the given figure.

**Article 208** The Board of the Company shall be responsible for the interpretation of the Articles of Association.

**Article 209** Annexes to the Articles of Association include the Rules of Procedure for General Meetings, the Rules of Procedure for Meetings of the Board and the Rules of Procedure for the Supervisory Committee.

**Article 210** The Articles of Association shall take effect and put into force from the date of adoption by special resolution on the general meeting of the Company. Since the effective date of the Articles of Association, the original Articles of Association of the Company shall be automatically invalidated.

5 June 2025