

# **Rongta Technology (Xiamen) Group Co., Ltd.**

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

## **ARTICLES OF ASSOCIATION**

(Applicable after the issuance of H shares)

China • Xiamen

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**Rongta Technology (Xiamen) Group Co., Ltd.**  
**ARTICLES OF ASSOCIATION**

**Chapter 1 General Provisions**

**Article 1** The Articles of Association is formulated in accordance with the Company Law of the PRC (the “**Company Law**”), the Securities Law of the PRC (hereafter known as the “**Securities Law**”), Accounting Law of the People’s Republic of China, Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, Guidelines on the Articles of Association of Listed Companies, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereafter known as the “**Hong Kong Listing Rules**”) and other relevant provisions, for the purpose of safeguarding the legitimate rights and interests of the Company, its shareholders and creditors, and regulating the organization and activities of the Company.

**Article 2** The Company is a joint stock company with limited liability established in accordance with the Company Law and other relevant laws, administrative regulations or regulatory documents of the People’s Republic of China.

The Company was established as a joint stock company by all shareholders of Rongta Technology (Xiamen) Group Co., Ltd. as the promoters by means of full conversion, and registered with the Market Supervision Administration of Xiamen Municipality and obtained a corporate business license. The business license number: 913502065628393427.

**Article 3** The registered name of the Company:

Chinese name: 容大合眾(廈門)科技集團股份公司

English name: Rongta Technology (Xiamen) Group Co., Ltd.

**Article 4** The Company was registered with the China Securities Regulatory Commission (hereinafter referred to as the “**CSRC**”) on 5 February 2025 and was listed on the Main Board of the Hong Kong Stock Exchange Limited (hereinafter referred to as the “**HKEX**”) on 10 June 2025, and issued no more than 18,400,000 overseas listed foreign shares (hereinafter referred to as the “**H shares**”) in Hong Kong.

**Article 5** The Company’s address is No. 88 Tonghui South Road, Tong’an District, Xiamen City; Postal code 361000.

**Article 6** The registered capital of the Company is RMB94,733,000.

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

**Article 8** The legal representative of the Company is the Chairman.

**Article 9** The Company's total assets are divided into shares of equal par value and shareholders shall assume liability towards the Company to the extent of their respective shareholdings, and the Company shall be liable for its debts to the extent of all of its assets.

**Article 10** As of the effective date of the Articles of Association, the Articles of Association shall be a legally binding document which regulates the Company's organization and acts, governs the rights and obligations between the Company and the shareholders, and amongst the shareholders themselves, and shall constitute a legally binding document governing on the Company, its shareholders, directors, supervisors, senior management members. Pursuant to the Articles of Association, a shareholder may take legal action against the other shareholders, and the shareholders may take legal action against the Company's directors, supervisors, general manager and other senior management members. The shareholders may take legal action against the Company. The Company may take legal action against its shareholders, directors, supervisors and other senior management members.

**Article 11** Other senior management members referred to in the Articles of Association means the deputy general managers and the chief financial officer and secretary of the Board.

**Article 12** The Company shall set up its Communist Party of China (hereinafter referred to as "CPC") organization and carry out CPC activities in accordance with the Constitution of the CPC. The Company shall provide the CPC organization with necessary conditions for its activities.

## **Chapter 2 Objectives and Scope of Business**

**Article 13** The Company's business purpose: Adhering to the core values of "inclusiveness, innovation, and changing the world", we are committed to the field of commercial automation, continuing technological innovation, striving for excellence, constantly improving the Company's management level, providing the market with high-quality products and sincere and professional services, promoting the improvement of corporate operating efficiency, seeking benefits for employees, creating profits for shareholders, and contributing to society.

**Article 14** Upon legal registration, the scope of business of the Company is: general items: research and testing of projects and technology; technology import and export; import and export agency; manufacturing of drawing, computing and measuring instruments; manufacturing of electronic measuring instruments; manufacturing of special instruments; manufacturing of terminal metering equipment; manufacturing of smart home gateways; manufacturing of office equipment consumables; manufacturing of computer hardware and software and peripheral equipment; manufacturing of integrated circuits; manufacturing of optoelectronic devices; manufacturing of electronic components; manufacturing of special electronic equipment; manufacturing of electronic (gas) physical equipment and other electronic equipment; repair of electrical equipment; repair of instruments and meters; manufacturing of weighing instruments; manufacturing of instruments and meters; manufacturing of satellite mobile communication terminals; manufacturing of mobile terminal equipment; software development; manufacturing of copying and offset printing equipment; manufacturing of cultural and office equipment; manufacturing of special equipment for commerce, catering and services; information system integration services; information technology consulting services; data processing and storage support services; data processing services; certification consulting; sales of special electronic equipment; sales of special equipment for commerce, catering and services; wholesale of electronic components; sales of electronic components and electromechanical components and equipment; manufacturing of mechanical and electrical equipment; sales of calculator equipment; sales of office equipment; sales of electronic products; sales of mechanical and electrical equipment; maintenance of electronic and mechanical equipment (excluding special equipment); leasing of non-residential real estate. (Except for items that are required to obtain approvals according to law, business activities can be carried out independently with a business license in accordance with the law)

## **Chapter 3 Shares**

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

**Article 15** The shares of the Company shall take the form of share certificates. Share certificates of the Company shall be in registered form. Apart from what is required by the Company Law to be stated on the share certificate of the Company, it shall also state other items which are required to be stated by the stock exchange(s) on which the Company's shares are listed.

**Article 16** The shares of the Company shall be issued in a transparent, fair and equal manner, and shall rank *pari passu* with the shares of the same class.

The terms and price of each share of the same class in the same issue shall be the same, and every share subscribed by any entity or individual in the same issue shall have the same price.

**Article 17** All the shares issued by the Company shall have a par value, with a nominal value of RMB1 per share.

**Article 18** The H shares issued by the company are stocks that are listed on the HKEX after approval, with the stock face value indicated in RMB and subscribed and traded in RMB or Hong Kong dollars. They are deposited in the custodian company under the Hong Kong Securities Clearing Company Limited.

Shares that have been issued by the Company but have not been listed or traded on any overseas trading venue are referred to as “domestic unlisted shares” (including unlisted shares held by the shareholders of the Company before overseas listing and additional unlisted shares issued domestically after overseas listing). Domestic unlisted shares issued by the Company shall be centrally deposited with China Securities Depository and Clearing Corporation Limited.

Holders of domestic unlisted shares and holders of H shares are both ordinary shareholders and shall have the same rights and fulfill the same obligations.

**Article 19** Upon approval by the Hong Kong Stock Exchange and filing with the CSRC, holders of the domestic unlisted shares of the Company may apply for the conversion of the domestic unlisted shares held by them into H shares and for the listing and trading of such shares on the Hong Kong Stock Exchange.

The conversion of such shares shall be conducted in compliance with the relevant regulations of the CSRC and the relevant shareholders shall entrust domestic enterprises to file with the CSRC for the listing and trading of such shares on overseas stock exchanges. A shareholders’ general meeting is not required to be convened for the conversion of such shares and their listing and trading on overseas stock exchanges.

**Article 20** The Company is a joint stock limited company legally converted from “Rongta Technology (Xiamen) Group Co., Ltd.”. When Rongta Technology (Xiamen) Group Co., Ltd. was converted into a joint-stock company as a whole, all the original shareholders of the company, as promoters, subscribed for all the shares of the Company by converting the book net assets of Rongta Technology (Xiamen) Group Co., Ltd. held by them as of 31 July 2019 into shares. The number of shares subscribed by each promoter and the time of capital contribution are as follows:

No.	Name of shareholder	Number of shares subscribed (10'000 shares)	Number of shareholding (RMB10,000)	Percentage of shareholding	Method of investment	Date of investment
1	Rongta Technology (Xiamen) Group Co., Ltd.	1,461.30	1,461.30	48.71%	shares converted from net assets	14 October 2019
2	Xu Kaiming	1,242.00	1,242.00	41.40%	shares converted from net assets	14 October 2019
3	Lin Huanan	102.90	102.90	3.43%	shares converted from net assets	14 October 2019
4	Xu Kaihe	73.20	73.20	2.44%	shares converted from net assets	14 October 2019
5	Yang Litie	43.20	43.20	1.44%	shares converted from net assets	14 October 2019
6	Xiamen Gaoli Hezhong Investment Partnership Limited Partnership	37.20	37.20	1.24%	shares converted from net assets	14 October 2019
7	Xiamen Gaoli Zhongcheng Investment Partnership Limited Partnership	21.30	21.30	0.71%	shares converted from net assets	14 October 2019
8	Li Cheng	18.90	18.90	0.63%	shares converted from net assets	14 October 2019
Total		<u>3,000.00</u>	<u>3,000.00</u>	<u>100.00%</u>		

**Article 21** The total number of shares of the Company is 94,733,000 shares, with a par value of RMB 1 per share, all of which are RMB common shares.

**Article 22** The Company and its subsidiaries (including its affiliates) shall not provide any financial assistance to any person purchasing or intending to purchase any shares of the Company in the form of gift, advancement, guarantee, compensation, loan or otherwise.

## **Section 2 Increase, Reduction and Repurchase of Shares**

**Article 23** Based on the needs of operation and development, the Company may increase capital by the following means in accordance with the provisions of laws and regulations after the resolution is passed by the shareholders' general meeting:

- (1) public offering of shares;
- (2) non-public offering of shares;
- (3) distributing bonus shares to existing shareholders;
- (4) conversion of reserve into share capital;
- (5) other methods specified by laws, regulations, departmental rules and relevant normative documents.

**Article 24** The Company may reduce the registered capital. The Company's reduction of registered capital shall be handled in accordance with the procedures stipulated in the Company Law, the Hong Kong Listing Rules, other relevant regulations and the Articles of Association.

**Article 25** The Company shall not repurchase its own shares, unless otherwise under the following circumstances:

- (1) reducing our Company's registered capital;
- (2) merging with other companies which hold our shares;
- (3) using the shares as an employee stock ownership plan or equity incentive;
- (4) purchasing its shares from Shareholders who have voted against the resolutions on the merger or division of the Company at a shareholders' general meeting upon their request;
- (5) using shares for conversion of convertible corporate bonds issued by the Company into shares;
- (6) necessary for the Company to maintain its value and protect the interests of the shareholders.

**Article 26** The Company may acquire its own shares through open centralised trading or other methods recognised by laws, regulations and the CSRC. Where the Company acquires its own shares due to the reason as set out in item (3), (5) or (6) of the first paragraph of Article 25 of the Articles of Association, the open centralised trading method shall be adopted.



**Article 27** Where the Company acquires its own shares due to the reason as set out in item (1) or (2) of the first paragraph of Article 25 of the Articles of Association, it shall be resolved at a shareholders' general meeting. Where the Company acquires its own shares due to the reason as set out in item (3), (5) or (6) of the first paragraph of Article 25 of the Articles of Association, a resolution may be made at a board meeting attended by more than two-thirds of the directors in accordance with the provisions of the Articles of Association or the authorization of the shareholders' general meeting.

Where the Company acquires its own shares due to the reason as set out in item (1) of the first paragraph of Article 30 of the Articles of Association, it shall cancel such shares within 10 days from the date of the acquisition. Where the Company acquires its own shares due to the reason as set out in item (2) or item (4) of the first paragraph of Article 30 of the Articles of Association, it shall transfer or cancel such shares within six months. Where the Company acquires its own shares due to the reason as set out in item (3), (5) or (6) of the first paragraph of Article 30 of the Articles of Association, the total number of its shares held by the Company shall not exceed 10% of its total issued shares, and such shares shall be transferred or cancelled within three years.

Where the relevant laws, administrative regulations, departmental rules, other regulatory documents and relevant provisions of the securities regulatory authorities where the Company's shares are listed stipulate otherwise on relevant matters related to the aforesaid share repurchase, such provisions shall prevail.

### **Section 3 Share Transfer**

**Article 28** The shares of the Company may be transferred without any lien in accordance with the law. Except as otherwise provided by law, administrative regulations, the listing rules of the place where the Company's shares are listed or the Articles of Association.

All transfers of H Shares shall be executed with a written instrument of transfer in general or ordinary format or any other format accepted by the board of directors (including the standard format of transfer or form of transfer as required by the Hong Kong Stock Exchange from time to time). The written transfer document may be signed by hand or by the valid seal of the Company (where the transferor or transferee is a company). If the transferor or transferee of the shares of the Company is a recognised clearing house as defined by relevant ordinances of Hong Kong laws in force from time to time (hereinafter referred to as the “**Recognised Clearing House**”) or its nominee, the signature on the written instrument of transfer may be signed by hand or in mechanically printed form. All instruments of transfer must be kept at the legal address of the Company or other place as may be designated by the board of directors from time to time.

**Article 29** The Company refuses its own stocks as the subject matter of pledge right.

**Article 30** Shares of the Company held by the founders shall not be transferred within one year from the date of incorporation of the Company. The shares which have already been issued prior to the Company's public offering shall not be transferred within one year after the Company's stocks are listed on the stock exchange.

The directors, supervisors and senior management members of the Company shall report to the Company the shares held by them in the Company and any alterations to the shares so held, and the shares transferred each year by them during their terms of office shall not exceed 25% of their total shares in the Company; the shares of the Company held by them shall not be transferred within one year after the Company's stocks are listed. The aforesaid persons shall not transfer the shares of the Company held by them for the period of six months after they leave the Company.

Where relevant provisions of the securities regulatory authority of the place where the Company's shares are listed have otherwise provided for the restrictions on the transfer of overseas listed shares, such provisions shall prevail.

**Article 31** Any gains from sale of the Company's shares or other securities with an equity nature by the shareholders, Directors, supervisors and senior managers who hold more than 5% of the Company's shares, within six months after their purchase of the same, or any gains from the purchase of the shares or other securities with an equity nature by any of the aforesaid parties within six months after sale of the same shall be paid to the Company, and the board of directors of the Company shall be responsible for recovering such gains from the abovementioned parties, except for the holding by a securities company of 5% or more of the Company's shares as a result of its undertaking of the untaken shares in an offer, or such other circumstances as prescribed by the CSRC and the securities regulatory rules of the place where the shares of the Company are listed.

Shares or other securities with the nature of equity held by Directors, Supervisors, senior executives and individual shareholders as mentioned in the preceding paragraph include shares or other securities with the nature of equity held by their spouses, parents or children, or held by them by using other people's accounts.

If the board of directors of the Company fails to comply with the first paragraph, the Shareholders are entitled to request the board of directors to do so within 30 days. If the board of directors of the Company fails to comply within the aforesaid period, the Shareholders are entitled to initiate litigation directly in the People's Court in their own names for the interest of the Company.

If the board of directors of the Company fails to implement the provisions set forth in the first paragraph, the responsible Directors shall bear joint and several liabilities in accordance with law.

## **Chapter 4 Shareholders and Shareholders' General Meeting**

### **Section 1 Shareholders**

**Article 32** The Company shall maintain a register of shareholders with the evidence provided by the securities registration institution, and the register of shareholders shall be sufficient evidence of the shareholders' shareholdings in the Company. A shareholder shall enjoy rights and assume obligations according to the class of shares held by him; shareholders who hold shares of the same class shall enjoy the same rights and assume the same obligations.

Any shareholder whose name has been registered in the register of shareholders or any person who requires to have his/her name (or description) entered into the register of shareholders has lost his/her share certificate(s) (the “**original share certificate**”), he/she may apply to the Company for the issue of (a) replacement certificate(s) in respect of such shares (the “**relevant shares**”). The application for the issue of replacement certificates by holders of H Shares who lost their share certificates shall be made in accordance with the laws, stock exchange regulations and other relevant regulations of the place where the original of the register of members of such H Shares is kept.

**Article 33** When the Company convenes a shareholders' general meeting, distributes dividends, commences liquidation or participates in other activities which require the verification of the identities of shareholders, the board of directors or the convener of the shareholders' general meeting shall decide the date of record. The shareholders whose names are registered on the register of shareholders at the close of trading on the date of record shall be entitled to the relevant rights.

**Article 34** The shareholders of the Company shall have the following rights:

- (1) to receive dividends and profit distributions in any other form in proportion to the shares they hold;
- (2) to lawfully require, convene, preside over or attend shareholders' general meetings either in person or by proxy, speak at the shareholders' general meetings and exercise the corresponding voting right;
- (3) to supervise, make recommendations or make inquiries about the operations of the Company;
- (4) to transfer, bestow or pledge shares held by them in accordance with laws, administrative regulations and provisions of the Articles of Association;
- (5) to inspect and duplicate the Articles of Association, register of members, counterfoil of company debentures, minutes of shareholders' general meetings, resolutions of meetings of the board of directors, resolutions of meetings of the board of supervisors and financial and accounting reports;

- (6) in the event of the termination or liquidation of the Company, to participate in the distribution of the remaining property of the Company in proportion to the shares held by them;
- (7) to require the Company to buy their shares in the event of their objection to resolutions of the shareholders' general meeting concerning merger or division of the Company;
- (8) other rights conferred stipulated by the laws, administrative regulations, departmental rules or and the Articles of Association.

The Hong Kong branch of the register of shareholders must be available for inspection by shareholders, but the Company can be allowed to suspend the shareholders' registration in accordance with the terms equivalent to Section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). That is, after giving notice by the Company, the register, or that part of the register relating to the holding of any shareholder, can be closed for one or more periods, but the total period of closure shall not exceed 30 days within any one year.

**Article 35** If any shareholder proposes to inspect the relevant information mentioned in the preceding article or asks for information, the said shareholder shall provide the Company with written documents bearing evidence of the class and number of shares held by the said shareholder, and the Company will provide the information as required by the said shareholder upon verification of the said shareholder's identity.

**Article 36** If any resolution of the shareholders' general meeting or the board of directors of the Company violates the laws or administrative regulations, the shareholders shall have the right to request the people's court to invalidate the resolution.

If the convening procedure or voting method of the shareholders' general meetings or board of directors' meetings violates the laws, administrative regulations or the Articles of Association or the contents of a resolution run counter to the Articles of Association, the shareholders shall have the right to request the people's court to cancel such resolution within sixty days after passing the resolution.

**Article 37** Where the Company incurs losses as a result of violation by directors and members of the senior management of laws, administrative regulations or the Articles of Association in the course of performing their duties with the Company, the shareholders individually or in aggregate holding 1% or more of the shares of the Company for more than 180 consecutive days shall be entitled to request in writing the board of supervisors to initiate proceedings to the People's Court; where the Company incurs losses as a result of violation by the board of supervisors of any provisions of laws, administrative regulations or the Articles of Association in the course of performing its duties with the Company, such shareholders may make a request in writing to the board of directors to initiate proceedings to the People's Court.

In the event that the board of supervisors or the board of directors refuses to initiate proceedings after receiving the written request of shareholders stated in the foregoing paragraph, or fails to initiate such proceedings within 30 days from the date of receiving such request, or in case of emergency where failure to initiate such proceedings immediately will result in irreparable damage to the Company's interests, the shareholders described in the preceding paragraph shall have the right to for the benefit of the Company initiate proceedings to the People's Court directly in their own names.

Where the Company incurs losses as a result of infringement upon the legitimate rights and interests of the Company by any other persons, the shareholders stated in the preceding paragraph 1 of this article may initiate proceedings to the People's Court pursuant to the provisions of the first two paragraphs.

**Article 38** Shareholders may initiate proceedings to the People's Court in the event that a director or a senior management officer has violated laws, administrative regulations or the Articles of Association, damaging the interests of shareholders.

**Article 39** The shareholders of the Company shall have the following obligations:

- (1) to observe laws, administrative regulations and the Articles of Association;
- (2) to pay capital contribution as per the shares subscribed for and the method of subscription;
- (3) not to withdraw shares unless in the circumstances stipulated by laws and regulations;
- (4) not to abuse shareholder's right to harm the interests of the Company or other shareholders; not to abuse the Company's position as an independent legal person or shareholder's limited liability protection to harm the interests of the creditors of the Company;
- (5) to fulfil other obligations stipulated by laws, administrative regulations and the Articles of Association.

If any shareholder of the Company abuses his/her shareholder's right, thereby causing any loss to the Company or other shareholders, the said shareholder shall be liable for compensation according to law. If any shareholder of the Company abuses the Company's position as an independent legal person or shareholder's limited liability protection for the purpose of evading repayment of debts, thereby seriously damaging the interests of the creditors of the Company, the said shareholder shall bear joint and several liabilities for the Company's debts.

**Article 40** If any shareholder holding more than 5% voting shares of the Company pledges the said voting shares, the said shareholder shall submit a written report to the Company on the date on which the said pledge is executed.

**Article 41** The controlling shareholder(s) or the de facto controller(s) of the Company shall not impair the interests of the Company by making use of their connected relationship. They shall be liable for damages if, as a result of violating the regulation, they cause the Company to sustain a loss.

The controlling shareholder and the de facto controllers of the Company shall bear the fiduciary duty toward the Company and retail shareholders. The controlling shareholder shall exercise his or her rights as an investor in strict compliance with relevant laws. It may not use such means as profit distribution, asset restructuring, external investment, capital occupation, loan guarantee, etc., to damage the legitimate rights and interests of the Company and retail shareholders, as well as not to make use of its controlling status to damage the interests of the Company and retail shareholders.

## **Section 2 General Provisions for the Shareholders' General Meeting**

**Article 42** The shareholders' general meeting is the body by which the Company exercises its powers, and shall exercise the following functions and powers in accordance with the law:

- (1) to decide on the Company's operational policies and investment plans;
- (2) to elect and replace directors and supervisors (other than the employee representatives), and to decide on matters regarding the remuneration of directors and supervisors;
- (3) to consider and approve reports of the board of directors;
- (4) to consider and approve reports of the board of supervisors;
- (5) to consider and approve the Company's proposed annual financial budget and final accounts;
- (6) to consider and approve plans for the distribution of company profits and plans to cover losses;
- (7) to adopt resolutions on any increase or reduction in the registered capital of the Company;
- (8) to pass resolutions on the issuance of company bonds;
- (9) to adopt resolutions on matters such as any merger, breakup, dissolution or liquidation of the Company or any change in the legal form of the Company;
- (10) to amend the Company's Articles of Association;

- (11) to resolve on appointment, dismissal or non-renewal of appointment of the Company's accounting firm and on the compensation matters of accounting firm;
- (12) to examine and approve the provision of guarantees stipulated in Article 43;
- (13) to consider the purchase or sale in any one year of material assets valued in excess of 30% of the Company's total assets as audited in the latest period;
- (14) to consider and approve changes in the use of funds raised;
- (15) to consider equity incentive plans and employees' stock ownership plans;
- (16) to consider other matters as required by the laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the shares of the Company are listed or the Articles of Association, which shall be decided by the shareholders' general meeting.

The above-mentioned functions and powers of the shareholders' general meeting shall not be exercised by the board of directors or other bodies and individuals on its behalf by way of delegation. except for the above matters, the shareholders' general meeting may authorise or delegate the board of directors and/or persons authorised by the board of directors to carry out the matters it authorises or delegates, subject to the mandatory provisions of laws and regulations and the relevant laws and regulations and regulatory rules of the place where the Company's shares are listed.

**Article 43** The following acts of external guarantee of the Company shall be submitted to the shareholders' general meeting for deliberation and approval:

- (1) any guarantee to be provided after the total amount of external guarantees provided by the Company and its controlling subsidiaries has exceeded 50% of the Company's net assets as audited in the latest period;
- (2) any guarantee to be provided after the total amount of external guarantees provided by the Company has exceeded 30% of the Company's total assets as audited in the latest period;
- (3) the amount of guarantee provided by the Company within one year exceeds 30% of the latest audited total assets of the Company;
- (4) any guarantee to be provided for a party whose ratio of liabilities to assets exceeds 70%;
- (5) the single guarantee for an amount more than 10% of the Company's net assets audited in the latest period;



- (6) the guarantee to be provided to a Shareholder, or to a de facto controller and related party thereof;
- (7) other guarantee situations stipulated by relevant laws, administrative regulations, departmental regulations and normative documents or this Charter.

Except for the external guarantees listed in items (1) to (7) of the preceding paragraph that must be approved by the shareholders' meeting, the board of directors shall exercise the decision-making power on external guarantees in accordance with the provisions of the Articles of Association on the board of directors' external guarantee approval authority. When the guarantee as referred to in item (2) of the preceding paragraph is considered at the shareholders' general meeting, the same shall be approved by not less than two-thirds of the voting rights held by the shareholders present at the meeting.

In deliberating a proposal regarding the provision of any guarantee for any shareholder, de facto controller and related party thereof, such shareholder or any shareholder subject to the direction of the de facto controller shall abstain from voting on such proposal, and such proposal shall be adopted with the approval of a majority of votes held by other shareholders present at the shareholders' general meeting.

**Article 44** The shareholders' general meetings consist of annual general meetings and extraordinary general meetings. The annual general meetings shall be held once every year within six (6) months from the end of the previous financial year.

**Article 45** The Company shall convene an extraordinary general meeting within two months from the date of the occurrence of any of the following circumstances:

- (1) where the number of directors falls below the number prescribed in the Company Law or below two-thirds of the number prescribed in the Articles of Association;
- (2) where the Company's unfunded losses reach one-third of total share capital paid in;
- (3) where shareholders who individually or jointly hold no less than 10% of the Company's stock request holding of such a meeting (shareholders who meet these requirements may include proposals in the extraordinary general meeting);
- (4) where the board of directors deems it necessary;
- (5) where the board of supervisors proposes such a meeting;
- (6) in any other circumstances prescribed by laws, administrative regulations, departmental rules the listing rules of the stock exchange where the shares of the Company are listed or the Articles of Association.



**Article 46** The Company shall convene a shareholders' general meeting at the place where the Company domiciled. If necessary, the shareholders' general meeting may be held at other locations relevant to the matters under consideration upon resolution of the board of directors.

The shareholders' general meeting shall be held in a venue in the form of an on-site meeting or in other forms permitted by laws and regulations. The Company will also provide online voting or other stock methods that comply with laws, administrative regulations, the listing rules of the stock exchange where the company's shares are listed or the Company's Articles of Association to facilitate shareholders' participation in the shareholders' general meeting. Shareholders who participate in the shareholders' general meeting through the above methods shall be deemed to be present.

### **Section 3 Convening of Shareholders' General Meetings**

**Article 47** Any independent director may propose to the board of directors that an interim shareholders' general meeting be held. Where an independent non-executive director proposes that an interim shareholders' general meeting be held, the board of directors shall, in accordance with laws, administrative regulations and the Articles of Association, give a written response on whether or not it agrees that an interim shareholders' general meeting should be held within ten days of receiving the proposal. Where the board of directors agrees to hold an interim shareholders' general meeting, it shall send out a shareholders' general meeting notice within five days of making its resolution; where the board of directors declines to hold an interim shareholders' general meeting, its reasons shall be given and announced.

Unless otherwise provided by laws, administrative regulations, departmental rules, or the listing rules of the stock exchange where the Company's shares are listed.

**Article 48** The board of supervisors may propose to the board of directors that an interim shareholders' general meeting be held and shall make any such proposal to the board of directors in writing. The board of directors shall, in accordance with laws, administrative regulations and the Articles of Association, give a written response on whether or not it agrees that an interim shareholders' general meeting should be held within ten days of receiving the proposal.

Where the board of directors agrees to hold an interim shareholders' general meeting, it shall send out a shareholders' general meeting notice within five days of making its resolution. Changes to the original proposal(s) in the notice shall be subject to the consent of the board of supervisors.

Where the board of directors declines to hold an interim shareholders' general meeting nor does it respond within 10 days upon receipt of the proposal, the board of directors shall be deemed to be incapable of or has failed in performing the duty of convening a shareholders' general meeting, in which case the board of supervisors may convene and preside over such meeting by itself. As far as possible, the procedures for convening a meeting shall be the same as that for convening a shareholders' general meeting by the board of directors.

**Article 49** Shareholder(s) who individually or jointly hold 10% or more of the Company shares shall have the right to propose that the board of directors hold an interim shareholders' general meeting and add resolutions to a meeting agenda; any such request to the board of directors shall be made in writing. The board of directors shall, in accordance with laws, administrative regulations and the Articles of Association, give a written response on whether or not it agrees that an interim shareholders' general meeting should be held within ten days of receiving any such request.

Where the board of directors agrees to hold an interim shareholders' general meeting, it shall send out a shareholders' general meeting notice within five days of making its resolution. Changes to the original request(s) in the notice shall be subject to the consent of the shareholders concerned.

Where the board of directors declines to hold an interim shareholders' general meeting nor does it respond within 10 days upon receipt of such request, shareholder(s) who individually or jointly hold 10% or more of the Company's shares shall have the right to propose to the board of supervisors to convene an interim shareholders' general meeting; any such request to the board of supervisors shall be made in writing.

Where the board of supervisors agrees to hold an interim shareholders' general meeting, it shall send out a shareholders' general meeting notice within five days upon receipt of such request. Changes to the original proposal(s) in the notice shall be subject to the consent of the shareholders concerned.

Failure of the board of supervisors to issue the notice of shareholders' general meeting within the stipulated period shall be deemed as the failure of the board of supervisors to convene and preside over a shareholders' general meeting, and shareholders severally or jointly holding 10% or more of the Company's shares for 90 or more consecutive days shall be entitled to convene and preside over the shareholders' general meeting on an unilateral basis.

Unless otherwise provided by laws, administrative regulations, departmental rules, or the listing rules of the stock exchange where the Company's shares are listed.

**Article 50** Where the board of supervisors or shareholders decide(s) to convene a shareholders' general meeting on their own, they shall notify the board of directors in writing. and in accordance with applicable regulations, file a case with the securities supervisory authority at the Company's place of registration and the stock exchange where the Company's shares are listed.

Before announcing the resolutions of the shareholders' general meeting, the convening shareholders should not hold less than 10% of the shares.

The board of supervisors or the convening shareholders shall submit relevant supporting materials to the securities supervisory authority at the Company's place of registration and the stock exchange where the Company's shares are listed in accordance with applicable regulations when issuing the notice of the shareholders' general meeting and the announcement of the resolutions of the shareholders' general meeting.

**Article 51** When a shareholders' general meeting is convened by the board of supervisors or by the shareholders, the board of directors and the board secretary shall assist. The board of directors shall provide the register of shareholders on the date of registration of shareholding.

**Article 52** If the board of supervisors or the shareholders convene a shareholders' general meeting, the expenses necessary for the meeting shall be borne by the Company.

#### **Section 4 Proposal and Notification of Shareholders' General Meeting**

**Article 53** The contents of the proposal shall fall within the terms of reference of the shareholders' general meeting, and the proposal shall provide clear agenda and specific matters on which resolutions are to be made, and shall comply with the relevant provisions of the laws, administrative regulations and the Articles of Association.

**Article 54** When the Company holds a shareholders' general meeting, the board of directors, the board of supervisors and shareholders independently or jointly holding no less than 3% of the Company stock shall have the right to put proposals to the Company.

Shareholders independently or jointly holding no less than 3% of the Company shares may, ten days before the shareholders' general meeting is held, put forward interim proposals and submit such proposals in writing to the conveners. The conveners shall, within two days of receiving any such proposal, send out a supplementary shareholders' general meeting notice announcing the details of the interim proposal. Such new resolution(s) should carry specific subjects and matters to be resolved that fall within the scope of the terms of reference of the shareholders' general meeting.

Except the circumstances prescribed in the preceding paragraphs, the conveners shall not modify or add any new proposal to the proposals listed in the shareholders' general meeting notice after sending it out.

The shareholders' general meeting shall not vote or make resolutions on proposals not listed in the shareholders' general meeting notice or proposals that do not satisfy the criteria prescribed in Article 53 of the Articles of Association.

**Article 55** The convener shall notify shareholders by way of an announcement 21 days before the annual general meeting and the extraordinary general meeting shall be notified by way of an announcement 15 days before the meeting. The notification should include the matters to be discussed at the meeting, as well as the date and location of the meeting. The above-mentioned deadline should not include the day on which the meeting is held. The date of issuance of a notice under this Article shall be the date on which the company or the share registrar appointed by the company delivers the relevant notice to the post office for posting.

**Article 56** The notice of shareholders' general meeting shall include the following contents:

- (1) the time, venue and duration of the meeting;
- (2) matters and proposals to be considered at the meeting; any notice and supplementary notice of shareholders' general meetings shall sufficiently and completely disclose all contents of all motions in full. If any matter to be discussed requires opinions of the independent directors, the opinions and reasons of the independent directors shall be disclosed together with the issuance of such notice;
- (3) contain the full text of any special resolution proposed to be passed at the meeting;
- (4) specify the time and place for lodging the power of attorney for the voting proxy for the meeting;
- (5) a conspicuous statement that all ordinary shareholders are entitled to attend the shareholders' general meeting, and to appoint proxies to attend and vote on his/her behalf at the meeting, and that a proxy need not be a shareholder of the Company;
- (6) the record date of shareholders entitled to attend the shareholders' general meeting;
- (7) the record date, the name and telephone number of the convener of the meeting and the permanent contact person of the meeting, of which, the interval between the record date and the meeting date shall not exceed seven (7) trading days, and shall be later than the disclosure time of the announcement; there shall be at least two (2) trading days between the record date of the shareholders' general meeting and the start date of online voting; once the record date is determined, it cannot be changed; the notice of the shareholders' general meeting shall fully and completely disclose the specific content of all proposals, as well as all information and explanations necessary to enable shareholders to make reasonable judgments on the proposed matters;
- (8) specify the voting time and voting procedure of online voting or other means if the shareholders' general meeting is held online or other means.

**Article 57** Details of all proposals shall include contents required by the Hong Kong Listing Rules and the Company's Articles of Association and be fully and completely disclosed in the notice of the shareholders' general meeting and its supplementary notice. In the event that independent directors are required to express their opinions on the matters to be discussed, a notice of shareholders' general meeting or a supplementary notice shall, when given, also disclose the opinions and reasons of the independent directors.

**Article 58** If the election matters of directors or supervisors is proposed to be discussed at a shareholders' general meeting, the notice of the meeting shall adequately specify the detailed information on the director or supervisor candidates, which shall at least include:

- (1) personal particulars, including academic qualifications, work experience and concurrent positions;
- (2) whether or not such candidate has any connected relationship with the Company, its controlling shareholders and beneficial controller;
- (3) disclosure of the number of shares of the Company held by such candidate;
- (4) whether they have been punished by the CSRC and other relevant authorities and disciplined by the stock exchange;
- (5) The information of the directors or supervisors appointed, or re-elected or redesignated that must be disclosed according to the provisions of Hong Kong Listing Rules.

Save for the election of directors and supervisors by cumulative voting, each candidate for a director or a supervisor shall be proposed via a single proposal.

**Article 59** After giving the notice of shareholders' general meeting, the meeting shall not be postponed or cancelled and the proposals set out in the notice shall not be cancelled without justifiable reasons. In case of a delay or cancellation, the convener shall make announcement at least 2 working days prior to the original date of convening the meeting and explain the reasons.

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

**Article 60** The board of directors of the Company and any other conveners shall take necessary measures to guarantee the good order of the shareholders' general meeting. Measures shall be taken to deter any act disturbing the shareholders' general meeting, picking quarrels and provoking troubles and infringing the legal rights and interests of any shareholder, and such act shall be reported in a timely manner to the relevant departments for investigation and punishment.

**Article 61** All ordinary shareholders registered in the list on the equity registration date and their proxies shall be entitled to attend the shareholders' general meeting, and exercise their voting rights in accordance with laws, regulations and the Articles of Association.

A shareholder may attend the shareholders' general meeting in person or appoint a proxy (who needs not be a shareholder of the Company) to attend and vote on his behalf.

If a shareholder is a company, it may appoint a proxy to attend and vote at any shareholders' general meeting of the company, and if the company has appointed a proxy to attend any meeting, it shall be deemed to be present in person. A company may execute a form of appointment of an agent through its duly authorised officer. (Except for recognised clearing houses as defined in the relevant ordinances in force from time to time under the laws of Hong Kong)

If the shareholder is a recognised clearing house (or its proxy) as defined in the Securities and Futures Ordinance of Hong Kong or the relevant ordinance in force from time to time under the laws of Hong Kong, it may authorise more than one person as it deems fit to act as its representative at any shareholders' general meeting or meeting of creditors; provided that if more than one person is so authorised, the power of attorney shall specify the number and class of shares in respect of which such person is so authorised. A person so authorised shall be entitled to the same statutory rights equivalent to other shareholders, including rights to speak and vote. (without needing to present any share certificate, notarised authorisation and/or any further evidence to prove that he/she has been duly authorised) as if it were an individual shareholder of the Company.

**Article 62** Individual shareholders who attend the meeting in person shall present their identity cards or other valid certificates that prove their identities, in addition to their stock account cards; proxies who attend the meeting on behalf of others shall present their valid identity certificates and shareholder proxy statements.

For legal person shareholders, their legal representatives or authorised proxies shall attend the meeting on their behalf. Legal representatives who attend the meeting shall present their identity cards and valid certificates proving their qualifications as legal representatives; proxies who attend the meeting on behalf of shareholders shall present their proxy identity cards and written proxy statements lawfully issued by the legal representatives of the legal person shareholders in question.

**Article 63** The power of attorney issued by the shareholder authorizing his or her proxy to attend the shareholders' general meeting should contain the following:

- (1) the name of the proxy;
- (2) whether the proxy has any voting right;

- (3) instructions to vote for or against or abstain from voting on each and every issue included in the agenda of the shareholders' general meeting;
- (4) the date of issue and validity period of the power of attorney;
- (5) the signature (or seal) of the appointer. If the appointer is a corporate shareholder, the corporate seal shall be affixed;
- (6) specifying the number of shares represented by such proxy;
- (7) if more than one proxy is appointed, the instrument shall specify the number of shares represented by each proxy respectively.

**Article 64** Such form shall contain a statement that in default of such instructions, whether or not the proxy may vote as he/she thinks fit.

**Article 65** The instrument appointing a voting proxy shall be deposited at the Company's domicile or such other place as specified in the notice of the meeting at least 24 hours before the time appointed for holding the meeting at which the power of attorney proposes to vote, or 24 hours before the time appointed for taking of the poll. 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 notarised. A notarised 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 legal person, the legal representative or such person authorised by the board of directors or other decision-making body to act as its representative may attend the shareholders' general meeting of the Company.

**Article 66** The register of attendees of the shareholders' general meeting shall be prepared by the Company. Such register shall specify information such as the name of the persons (or units) attending the shareholders' general meeting, identity card number, residential address, number of shares or voting shares held, name of the persons (or units) the proxy represents.

**Article 67** The convener shall jointly verify the validity of the shareholders' qualification according to the register of shareholders provided by the Securities Depository and Clearing Institutions and register the name (or title) of shareholders and the voting shares held by them. The meeting registration shall be stopped before the chairman of the meeting declares the number of shareholders and proxies present at the live meeting and the total voting shares.

**Article 68** When a shareholders' general meeting is held, all directors, supervisors and the company secretary of the Board shall attend the meeting, and the general manager and other senior management members shall also be present at the meeting.



**Article 69** The shareholders' general meeting shall be presided over by the chairman of the board of directors. Where the chairman of the board of directors is unable or fails to fulfill his duties, the meeting shall be presided over by a director jointly elected by an absolute majority of directors.

Any shareholders' general meeting convened by the board of supervisors 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 fulfill his duties, the meeting shall be presided over by a supervisor jointly elected by an absolute majority of supervisors.

Any shareholders' general meeting convened by shareholders shall be presided over by a representative elected by the conveners.

When the shareholders' general meeting is being held, if the meeting cannot continue due to the meeting chair's violation of any procedural rule, the shareholders' general meeting may, subject to the consent of shareholders who hold an absolute majority of the voting rights represented at the live shareholders' general meeting, elect someone to act as meeting chair, following which the meeting may continue.

**Article 70** The Company shall formulate rules of procedure for the shareholders' general meeting, and specify the convening and voting procedures of the shareholders' general meeting, including notice, registration, consideration of proposals, voting, counting of votes, announcement of voting results, formation of resolutions of the meeting, and minutes of the meeting and the signing thereof, as well as the principle of authorization of the shareholders' general meeting to the board of directors. The content of authorization shall be clear and specific. The rules of procedure for the shareholders' general meeting shall be prepared by the board of directors and approved by the shareholders' general meeting.

**Article 71** At an annual shareholders' general meeting, the board of directors and the board of supervisors shall report their respective work in the preceding year to the shareholders' general meeting, and each independent director shall deliver a work report.

**Article 72** The directors, supervisors and senior management members shall provide explanations in respect of the inquiries and suggestions made by the shareholders at any shareholders' general meeting.

**Article 73** The presider shall, prior to voting, declare the number of attending shareholders and their proxies as well as the total number of their voting shares, and the number of attending shareholders and their proxies and the total number of their voting shares shall be as recorded in the meeting's register.



**Article 74** Minutes of a shareholders' general meeting shall be kept by the board secretary. The minutes of the meeting shall specify:

- (1) time, venue and agenda of the meeting, and the name of the convener;
- (2) the names of the presider, and the directors, supervisors, general manager and other senior management members attending or present at the meeting;
- (3) the number of shareholders and proxies attending the meeting, the total number of voting shares held by them and their respective proportions of these shares to the total number of shares of the Company;
- (4) the consideration process, summaries of speeches and voting results for each proposal;
- (5) inquiries or suggestions of the shareholders, and the corresponding responses or explanations;
- (6) the names of the counting officer and monitoring officer;
- (7) other contents that shall be recorded in the minutes in accordance with the Articles of Association.

**Article 75** The convener shall ensure the meeting minutes are true, accurate and complete. Directors, supervisors and the board secretary attending the meeting, the convener or representative thereof 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 the internet and other methods of voting shall be kept together for 10 years.

**Article 76** The convener shall ensure that the continuity of the shareholders' general meeting until the final resolution is formed. Where the shareholders' general meeting is discontinued or fails to adopt any resolution due to any force majeure or other special reasons, necessary measures shall be taken to resume or directly terminate the shareholders' general meeting, and an announcement shall be made promptly in accordance with laws, regulations or the listing rules of the stock exchange where the Company's shares are listed.

## **Section 6 Voting and Resolutions at Shareholders' General Meeting**

**Article 77** Resolutions of the shareholders' general meeting are divided into ordinary resolutions and special resolutions.

Ordinary resolutions of the shareholders' general meeting shall be passed by more than half of the voting rights represented by shareholders (including shareholder proxies) in attendance at the shareholders' general meeting.

Special resolutions of the shareholders' general meeting shall be passed by more than two-thirds of the voting rights represented by shareholders (including shareholder proxies) in attendance at the shareholders' general meeting.

Shares held by the Company carry no voting rights and shall not be counted toward the total number of shares with voting rights held by shareholders attending the shareholders' general meeting. When the shareholders' general meeting deliberates on matters related to related party transactions, if the applicable laws, regulations or the listing rules of the stock exchange where the company's shares are listed require so, the relevant related party shareholders should not participate in the voting, and the number of voting shares represented by them shall not be counted in the total number of valid votes. The announcement of the shareholders' meeting resolution shall fully disclose the voting results of non-related related shareholders.

**Article 78** In accordance with the applicable laws, regulations and listing rules of the stock exchange of the place where the Company's shares are listed, where any shareholder shall abstain from voting for any particular resolution, or is restricted to vote only for or against such resolution, any votes in violation of such requirement or restriction by the shareholders (or their proxies) shall not be counted in the voting results. The following matters shall be passed by an ordinary resolution of the shareholders' general meeting:

- (1) work reports of the board of directors and the board of supervisors;
- (2) plans for the distribution of company profits and plans to cover losses as drafted by the board of directors;
- (3) the appointment and dismissal of members of the board of directors and the board of supervisors, along with the remuneration of and payments to such members;
- (4) annual budget plans, final account proposals, balance sheet, income statement and other financial statements of the Company;
- (5) the Company's annual report;
- (6) appointment and dismissal of accounting firms that provide regular audit services to the company and the remuneration of the appointed accounting firms;
- (7) the issuance and listing of bonds or other securities;
- (8) review and approve the guarantee matters and related-party transactions stipulated in Article 43 of the Articles of Association;
- (9) except for matters that require special resolution as required by laws, administrative regulations, the listing rules of the stock exchange where the company's shares are listed or the Articles of Association.

**Article 79** The following matters shall be passed by a special resolution of the shareholders' general meeting:

- (1) increase or reduction in the registered share capital of the Company, and issuance of any class of shares, warrants or other similar securities;
- (2) division, spin-off, merger, dissolution and liquidation of the Company or change of the Company's corporate form;
- (3) amendments to the Company's Articles of Association;
- (4) any purchase or sale of major assets or the provision of guarantees within any one year in an amount in excess of 30% of the Company's total assets as audited in the latest period;
- (5) any equity incentive plan;
- (6) other matters that are required by laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed and/or the Articles of Association or that are determined by an ordinary resolution of the shareholders' general meeting to have a substantial impact on the Company shall be passed by special resolutions.

If at any time the shares of the Company are divided into different classes of shares, a special resolution shall be required to be passed by the shareholders holding shares of such class or classes to which such rights are attached.

**Article 80** Shareholders (including shareholder proxies) shall exercise their voting rights according to the number of voting shares they represent. Each shareholder should have one vote for each share. When voting on stocks, shareholders (including shareholder proxies) who have two or more voting rights do not need to cast all voting rights in favor, against or abstain from voting.

Where material issues affecting the interests of minority shareholders are considered at the shareholders' general meeting, the votes of minority shareholders shall be counted separately. The separate votes counting results shall be disclosed in accordance with the laws, administrative regulations, departmental rules, regulatory documents, the listing rules of the stock exchange where the Company's shares are listed, or the provisions of the Articles of Association and publicly in a timely manner.

Shares held by the Company itself shall have no voting rights and shall not be included in the total number of voting shares held by shareholders in attendance at the shareholders' general meeting.

Shareholders who purchase the voting shares of the Company in violation of paragraph 1 and paragraph 2 of Article 63 of the Securities Law shall not exercise the voting right of the shares that exceed the prescribed ratio within 36 months after purchase, and such number shall not be counted in the total number of voting shares represented by shareholders attending the shareholders' general meeting.

Where laws, administrative regulations, or the regulatory rules of the place where the Company's shares are listed stipulate that shareholders cannot exercise any voting rights on a certain proposal or are restricted to voting in favor or against, any votes cast by the shareholder or proxy in violation of the aforesaid requirements or restrictions shall not be included in the voting results.

The board of directors, independent directors and shareholders with over 1% of voting shares or investor protection institutions established by laws, administrative regulations or provisions of the CSRC may solicit voting rights from the Company's shareholders. In soliciting voting rights of shareholders, information such as specific voting intention shall be sufficiently disclosed to the shareholders whose voting rights are being solicited. Solicitation of voting rights at any consideration, whether in direct or indirect form, is prohibited. Unless under legal terms, the Company shall not propose any minimum shareholding restriction on the solicitation of voting rights.

**Article 81** When connected transactions are considered at the shareholders' general meeting, the connected shareholders and their close associates (as defined in Hong Kong Listing Rules) shall not participate in voting, and the number of voting shares represented by them shall not be counted into the total number of valid votes. The announcement of any resolution made at the shareholders' general meeting shall adequately disclose information relating to voting by non-connected shareholders.

Before the shareholders' 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 authorised representatives may attend the shareholders' general meeting, and may clarify their views to the shareholders in accordance with the procedures of the meeting, but they shall abstain from voting. If connected persons 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 except connected persons present at the shareholders' general meeting and the total number of their voting shares.

For related-party transactions to be formed as an ordinary resolution, it must be passed by more than 1/2 of the number of voting shares held by non-related shareholders attending the shareholders' general meeting; for special resolutions to be formed, it must be passed by more than 2/3 of the number of voting shares held by non-related shareholders attending the shareholders' 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 82** Unless the Company faces a crisis or falls into other special situations, without the approval of a special resolution by the shareholders' general meeting, the Company shall not enter into any contract with any person other than the directors, the general manager and other senior management members of the Company, pursuant to which, the Company will delegate the management of all or important business of the Company to such person.

**Article 83** The board of directors has the right to nominate candidates for directors. When the board of directors nominates candidates for directors, it shall hold a meeting to deliberate and make a resolution, and submit the list of candidates to the convener of the shareholders' general meeting.

The board of supervisors has the right to nominate non-employee representative supervisory candidates. When the board of supervisors nominates candidates for non-employee representative supervisors, it shall hold a meeting to deliberate and make a resolution, and submit the list of candidates to the convener of the shareholders' meeting.

Shareholders who individually or collectively hold more than 3% of the Company's shares have the right to nominate candidates for directors and non-employee representative supervisors. Shareholders who have the right to nominate shall submit the list of candidates to the convener of the shareholders' general meeting in accordance with the relevant provisions of the Articles of Association.

The number of candidates nominated by the board of directors, the board of supervisors and shareholders with the right to nominate shall not exceed the number of candidates to be elected. Other matters related to the nomination of candidates by the board of directors, the board of supervisors and shareholders with the right to nominate shall be implemented in accordance with the provisions of this charter regarding proposals and notices of the shareholders' general meeting.

**Article 84** The list of candidates for director and supervisor shall be proposed to the shareholders' general meeting for voting. The board of directors or the convener shall provide shareholders with biographical details and basic information about the candidates for directors and supervisors.

Where there are more than two candidates for directors or supervisors, the shareholders' general meeting shall adopt the cumulative voting system when voting on the election of directors and supervisors.

**Article 85** When the Company's shareholders' general meeting adopts the cumulative voting system to elect directors and supervisors, it shall be conducted in accordance with the following provisions:

- (1) When the shareholders' general meeting elects directors or supervisors, each share has the same voting rights as the number of directors or supervisors to be elected, that is: the cumulative voting rights of each shareholder = the number of voting shares held by him × the number of directors or supervisors to be elected. When the shareholders' general meeting holds multiple rounds of elections, the cumulative voting rights of shareholders shall be recalculated based on the number of directors or supervisors elected in each round of elections.
- (2) When electing supervisors and directors, the cumulative voting rights should be counted separately, and voting should be conducted on each item based on the cumulative voting system.
- (3) The voting rights held by shareholders can be concentrated on a certain candidate, or they can be equally or unequally cast for multiple candidates, but the sum of the votes cast separately shall not exceed the total cumulative voting rights, otherwise the vote will be invalid.
- (4) The elected directors or supervisors are determined from high to low based on the number of votes they obtain, and the number of votes obtained by the elected directors or supervisors should exceed half of the number of voting shares held by shareholders attending the shareholders' meeting.
- (5) If two or more candidates for directors or supervisors obtain the same number of votes and not all of them can be elected, the shareholders' general meeting shall continue to vote on such candidates until the elected directors or supervisors are determined, but the total number of election rounds shall not exceed three.
- (6) If the number of directors or supervisors elected does not reach the number of directors or supervisors that should be elected by the shareholders' general meeting:
  1. The voting results of the elected directors or supervisors shall remain valid, and the shareholders' general meeting shall continue to vote on the remaining candidates until the number of elected directors or supervisors reaches the number of directors or supervisors to be elected, but the total number of election rounds shall not exceed three;
  2. The board of directors shall hold a meeting within 15 days after the shareholders' general meeting and convene the shareholders' meeting again to elect the missing directors.

- (7) If the total number of elected directors and continuing directors is still less than the quorum:
1. The voting results of the elected directors shall remain valid, and the elected directors shall take office when the total number of elected and continuing directors reaches the quorum. Before the elected directors take office, the directors who intend to vacate their office shall still be required to discharge their duties as directors in accordance with the provisions of the laws, administrative regulations and the Articles of Association;
  2. The board of directors shall convene a meeting within fifteen days after the conclusion of the shareholders' general meeting to reconvene the shareholders' general meeting for the election of the absent directors.

**Article 86** Except for the cumulative voting system, votes on proposals shall be taken one by one at a shareholders' general meeting, and if there are different proposals regarding the same matter, vote on such proposals shall be taken in order of time of submission thereof. Unless the shareholders' general meeting is discontinued or fails to adopt any resolution due to any force majeure or other special reasons, the shareholders' general meeting shall not put on hold or refrain from voting on any proposal.

**Article 87** The same vote may only be cast once on site, online or by other means, provided that if the same vote is cast more than once, only the first vote will be deemed valid.

**Article 88** No proposal deliberated at a shareholders' general meeting shall be amended; otherwise, the relevant amendment shall be deemed a new proposal, which shall not be voted on at the same meeting.

**Article 89** Unless otherwise required by relevant laws and regulations and the listing rules of the stock exchange where the Company's shares are listed, the shareholders' general meeting of shareholders shall adopt a registered voting method.

**Article 90** Before voting on any proposal, a shareholders' general meeting shall choose two shareholders' representatives to participate in the votes counting or scrutinizing, provided that no such shareholders' representative shall be a shareholder who is interested in the subject matter of such proposal or his/her proxy.

The shareholders' representatives and supervisors' representatives and the relevant personnel appointed based on the Hong Kong Listing Rules shall jointly count and scrutinise the votes cast on such proposal in accordance with the Hong Kong Listing Rules at a shareholders' general meeting. The voting results shall be declared at the meeting and recorded in the minutes of the meeting.



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

**Article 91** An on-site shareholders' general meeting shall not end earlier than the one held through internet or by other methods. The chairperson of the meeting shall declare the result of voting on each proposal, and whether such proposal has been adopted accordingly.

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

**Article 92** A shareholder attending any shareholders' general meeting shall vote for or against or abstain from voting on each proposal submitted to the meeting for voting. The securities registrar and clearing institution, as the nominal holder of the stocks under the trading interconnection mechanism of mainland China and Hong Kong stock markets, making declarations in accordance with the intention of the actual shareholders are excluded.

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

Where the Hong Kong Listing Rules requires any shareholder to abandon his voting right on specific resolution, or restricts any shareholder to vote for or against specific resolution, any vote of the shareholder or his proxy against the relevant requirement or restriction shall not be included.

**Article 93** If the chairperson of a shareholders' general meeting has any doubt about the result of voting on any resolution, the chairperson may request the votes cast to be counted. If the chairperson does not request the votes to be counted, any shareholder attending the meeting in person or by proxy shall have the right to request the votes to be counted immediately after the result of voting is declared by the chairperson if such shareholder objects to the result of voting, in which case, the chairperson shall immediately have the votes counted.

**Article 94** The resolutions of a shareholders' general meeting shall be announced in a timely manner pursuant to the relevant laws, regulations, departmental rules, regulatory documents, the regulatory rules of the place where the Company's shares are listed or the provisions of the Articles of Association, and the announcement shall specify the number of shareholders and proxies attending the meeting, the number of voting shares held by them and the percentage of such shares to the total number of voting shares of the Company, voting methods, the voting result of each proposal and the details of the resolutions passed.



**Article 95** The resolutions of a shareholders' general meeting shall specifically indicate any proposal that fails to be adopted at the meeting or any amendment to any resolution of the previous shareholders' general meeting in the corresponding announcement.

**Article 96** If a shareholders' general meeting adopts any resolution on the election of directors and supervisors, new directors and supervisors shall take office on the day of their election by the shareholders' general meeting, unless the meeting determines the time of taking office or otherwise provided for in the Articles of Association.

**Article 97** Any resolution on the distribution of cash or stock dividends or capitalization of capital reserve adopted at a shareholders' general meeting shall be implemented by the Company within 2 months after the end of the meeting.

## **Chapter 5 The Board of Directors**

### **Section 1 Directors**

**Article 98** Directors of the Company shall be natural persons. A person may not serve as a director of the Company if any of the following circumstances applies:

- (1) without capacity or with restricted capacity for civil acts;
- (2) within five years after serving a sentence for corruption, bribery, infringement or misappropriation of property, or for jeopardizing socialist market economic order, or within five years after serving a sentence of being deprived of political rights for a criminal offence;
- (3) within three years after insolvency and liquidation of such company or enterprise where the person acted as a director, factory manager or business manager and has been held accountable for the insolvency;
- (4) within three years after the business license of a company or enterprise where the person acted as its legal representative is revoked for violating the law on which the person is held accountable;
- (5) liable to large amounts of unliquidated mature debts;
- (6) currently being prohibited from participating in the securities market by the China Securities Regulatory Commission and such barring period has not elapsed;
- (7) other circumstances as stipulated by the laws, administrative regulations or authorities' regulations.

If the election or appointment of directors has violated the requirements herein, such election or appointment or employment shall be void and invalid. If such circumstances arise during the period of employment of a director, the Company shall dismiss the duties of such director.

**Article 99** A director shall be elected or replaced by a shareholders' general meeting, and may be removed by an ordinary resolution in a shareholders' general meeting before his term of office expires, on the premise of complying with relevant laws and administrative regulations (but such removal shall not have prejudice to any damage claim made by that director under any contract.). The term of office of a director is 3 years, except as provided in the 2nd paragraph of this article. A director may be re-elected upon maturity of his term of office. However, an independent non-executive director who has held office for more than 9 years shall only be re-elected after relevant review procedures have been performed in accordance with the listing rules of the place where the Company's shares are listed.

The term of office of a director shall start from the date on which he takes office and end on the expiration of the current term for the board of directors. Where reelection procedures are not carried out in a timely manner on the expiration of the directors' term of office, before the newly elected directors take office, the original directors shall perform their directors' duties in accordance with laws, administrative regulations, authorities' regulations and the Articles of Association.

A director may serve concurrently as manager or other senior management members, but the directors serving concurrently as such and as director who is an employee representative shall not exceed half of the total number of directors of the Company.

Subject to relevant laws, administrative regulations and regulatory rules of the place where the Company's shares are listed, any director appointed to fill a casual vacancy in the board of directors shall serve until the first annual general meeting of the Company following his appointment and shall be eligible for re-election at that meeting.

**Article 100** Directors shall observe the laws, administrative regulations and Articles of Association, and fulfill the following fiduciary duties to the Company:

- (1) to not abuse their official powers to accept bribes or other unlawful income, and not to misappropriate the properties of the Company;
- (2) to not misappropriate the Company's funds;
- (3) to not deposit the Company's assets or funds into accounts under their own names or the names of other individuals;
- (4) to not lend the Company's funds to others or provide a guarantee in favor of others supported by the Company's property in violation of the Articles of Association without approval of the shareholders' general meeting or the board of directors;

- (5) to not enter into contracts or transactions with the Company in violation of the Articles of Association or without approval of the shareholders' general meeting;
- (6) to not take advantage of their position to procure business opportunities for themselves or others that should have otherwise been available to the Company or operate businesses similar to that of the Company for their own benefits or on behalf of others without approval of the shareholders' general meeting;
- (7) to not accept commissions from transactions between others and the Company for their own benefits;
- (8) to not disclose any secret of the Company without authorization;
- (9) to not use their connected relations to damage the interests of the Company;
- (10) laws, administrative regulations, authorities' regulations, and other fiduciary obligations stipulated in the Articles of Association.

Any income obtained by directors in violation of any of the provisions herein shall belong to the Company. The director shall be liable to indemnify the Company against any losses incurred.

**Article 101** Directors shall abide by laws, administrative regulations and the Articles of Association, and shall have the due diligence duties to the Company in:

- (1) acting honestly and in good faith in the interests of the company as a whole;
- (2) acting for proper purpose;
- (3) being responsible to the issuer for the application or misapplication of its assets;
- (4) avoiding actual and potential conflicts of interest and conflicts in duty;
- (5) disclosing fully and fairly his interests in contracts with the issuer;
- (6) applying such degree of skill, care and diligence as may reasonably be expected of a person of his knowledge and experience and holding a directorship in a listed company;
- (7) exercising the rights conferred by the Company with due discretion, care and diligence to ensure that the business activities of the Company comply with the laws, administrative regulations and various economic policies of the PRC and are not beyond the business scope specified in the business license of the Company;
- (8) treating all shareholders impartially;

- (9) keeping informed of the business operations and management of the Company;
- (10) signing written opinions on the regular reports of the Company, and to ensure the veracity, accuracy and completeness of information disclosed;
- (11) honestly providing the board of supervisors with relevant information, and to not prevent the board of supervisors or supervisors from exercising their functions and powers;
- (12) fulfilling other duties of diligence specified by the laws, administrative regulations, authorities' regulations and the Articles of Association.

**Article 102** If any director fails to attend board meetings in person or by proxy two consecutive times, the said director shall be deemed incapable of performing his duties and the board of directors shall suggest that the shareholders' general meeting dismiss the said director.

**Article 103** A director may resign before expiry of his term of office, subject to submission of a written resignation report to the board of directors. The board of directors shall make disclosure of relevant information within 2 days.

Where the number of members of the board of directors falls below the quorum due to the resignation of any director, the original director shall, before the newly-elected director assumes his post, carry out duties as a director in accordance with the laws, administrative regulations, authorities' regulations and the Articles of Association.

Except for the circumstances specified in the preceding paragraph, the resignation of a director shall become effective when the resignation report is delivered to the board of directors.

**Article 104** A director shall duly carry out all handover procedures with the board of directors on resignation or expiration of term.

A director's obligation in maintaining the Company's trade secrets shall continue after his departure and up to and until the date on which such trade secrets become public information. A director's fiduciary obligations to the Company and the shareholders shall remain valid within 2 years after his departure.

**Article 105** Any director shall not act as an individual on behalf of the Company or the board of directors unless as provided by the Articles of Association or legally authorised by the board of directors. In circumstances where a director is acting as an individual and a third party may reasonably believe that the director is acting on behalf of the Company or the board of directors, the director shall make a prior statement specifying his position and capacity.

**Article 106** Directors shall be liable for compensation if the Company incurred any losses due to violations of applicable provisions of laws, administrative regulations, authorities' regulations or the Articles of Association on the part of the directors in performing their duties.

**Article 107** The independent directors shall be subject to the relevant provisions of the laws, administrative regulations, the listing rules of the place where the Company's shares are listed, and authorities' regulations. An independent director may resign before his term of office expires. If, at any time, the independent directors of the Company fail to meet the number, qualification and independence requirements as required by the Hong Kong Listing Rules, the Company shall notify the Hong Kong Stock Exchange and, by way of announcement, clarify the details and reasons thereof. The Company shall, within 3 months of such non-compliance, appoint such number of independent directors that is sufficient to meet the requirements of the Hong Kong Listing Rules.

## **Section 2 Board of Directors**

**Article 108** The Company shall have a board of directors, who shall be accountable to the shareholders' general meeting.

**Article 109** The board of directors shall comprise 6 directors and shall have one chairman.

**Article 110** The board of directors shall exercise the following functions and powers:

- (1) to convene shareholders' general meetings and report to the shareholders' general meetings;
- (2) to implement resolutions of shareholders' general meetings;
- (3) to decide on the Company's business plans and investment plans;
- (4) to formulate the annual financial budgets and final accounts of the Company;
- (5) to prepare the profit distribution plans and loss recovery plans of the Company;
- (6) to formulate proposals for the increase or reduction of the Company's registered capital, issue of bonds or other securities and the listing plans;
- (7) to formulate plans for material acquisitions and disposals, purchase of shares of the Company, merger, division, dissolution or change to the corporate structure of the Company;
- (8) to decide on, within the scope of authority granted by the shareholders' general meeting, external investment, acquisition and disposal of assets, pledge of asset, external guarantees, entrusted financing, connected transactions, external donations and other matters;
- (9) to decide on the establishment of internal management organizations of the Company;

- (10) to decide on the appointment or dismissal of the general manager, secretary to the board of directors and other senior management members and to determine their remunerations, rewards and disciplinary actions; to appoint or dismiss vice general manager, responsible person in finance and other senior management members of the Company based on the nominations of the general manager, and to determine their remunerations, rewards and disciplinary actions;
- (11) to set up the basic management system of the Company;
- (12) to formulate the proposals for any amendment to the Articles of Association;
- (13) to manage the information disclosure of the Company;
- (14) to propose to the shareholders' general meeting the appointment or replacement of the accounting firms which provide audit services to the Company;
- (15) to listen to work reports of the general manager and review his work;
- (16) to consider and approve (1) share transactions with all percentage ratios of less than 5% and the consideration including shares to be issued for listing (including one-off transactions and a series of transactions that require a combined calculation of the percentage ratios); (2) disclosable transactions with all percentage ratios of 5% or more but less than 25% (including one-off transactions and a series of transactions that require the combined calculation of the percentage ratios); and (3) partially exempt connected transactions and non-exempt connected transactions with all percentage ratios (except profits ratio) of higher than 0.1% but lower than 5% (including one-off transactions and a series of transactions that require the combined calculation of the percentage ratios), calculated in accordance with the percentage ratio requirements of Rule 14.07 of the Hong Kong Listing Rules;
- (17) to decide on such major matters and administrative affairs other than those ought to be decided by the shareholders' general meeting of the Company as specified in the laws, administrative regulations, rules and regulations of competent authorities, the Articles of Association and listing rules of the stock exchange where the Company's shares are listed, and to enter into other important agreements;
- (18) other duties and powers stipulated by laws, administrative regulations, authorities' regulations or the provisions of the Articles of Association.

The board of directors of the Company shall establish an audit committee, and shall establish other special committees deemed necessary, such as nomination, remuneration and evaluation committees.

Matters exceeding the scope of the authority of the shareholders' general meeting shall be submitted to the shareholders' general meeting for consideration.

**Article 111** The board of directors of the Company shall make a statement to the shareholders' general meeting regarding the non-standard audit opinion issued by the certified public accountant on the Company's financial report.

**Article 112** The board of directors shall appoint a chairman, who shall be elected by more than half of all the directors of the board of directors.

**Article 113** The chairman of the board of directors shall exercise the following functions and powers:

- (1) to preside over the shareholders' general meeting, and to convene and preside over the meetings of the board of directors;
- (2) to urge and check the implementation of the board of directors' resolutions;
- (3) other functions and powers conferred by the board of directors.

**Article 114** If the chairman of the board of directors of the Company cannot or does not perform his duties, a director jointly elected by more than half of the directors shall perform such duties.

**Article 115** The board of directors shall formulate the rules of procedure, and specify the formats of discussion and voting procedures for meetings of the board of directors to ensure the implementation of the resolutions of shareholders' general meeting, to improve efficiency and to have scientific decision-making. The rules of procedures for the meetings of the board of directors shall be formulated by the board of directors and approved by the shareholders' general meeting.

**Article 116** The board of directors shall, in accordance with relevant laws, regulations and normative documents as well as the actual situation of the Company, formulate a system for the management of investment and financing, external guarantees and connected transactions, and determine the scope of authority to examine and decision-making procedures for the Company's external investments, acquisition and disposal of assets, pledge of assets, external guarantees, entrusted financing and connected transactions, as well as the specific proportion to the Company's assets of the funds involved. The systems for investment and financing management, external guarantees and connected transactions shall be formulated by the board of directors and approved by the shareholders' general meeting.

The board of directors shall strictly enforce the examination authority and decision-making procedures for external investment, acquisition and disposal of assets, asset pledges, external guarantees, entrusted financing and connected transactions; major investment projects shall be assessed by relevant experts and professionals and reported to the shareholders' general meeting for approval.



The board of directors shall strictly enforce the corresponding examination and decision-making procedures; major investment projects shall be assessed by relevant experts and professionals and reported to the shareholders' general meeting for approval.

The "transactions" referred herein shall include: (1) purchase or disposal of assets; (2) investments (including entrusted financing, investments in subsidiaries, etc.); (3) provision of financial assistance (including entrusted loans); (4) provision of guarantee (including those for the subsidiaries); (5) lease or rental of assets; (6) entering into contracts on management (including entrusted or contracted business management); (7) donating or receiving assets as a gift; (8) debt or debt restructuring; (9) transfer of research and development projects; (10) entering into authorization agreements; (11) waiver of rights (including waiver of pre-emptive right, priority for invited capital contribution and other rights); (12) other transactions as stipulated by laws, regulations and normative documents.

The purchase or disposal of assets referred above shall not include the purchase of raw materials, fuel and power, as well as sales of products and commodities related to daily operations; however, asset swaps involving the purchase or sale of such assets shall be included.

The specific authority and procedures for the Company's review and decision-making in relation to the aforesaid transactions are set out below:

- (1) Transactions of the Company (except for provision of guarantees and financial assistance) that meet one of the following standards shall also be submitted to the shareholders' general meeting for consideration after being considered and approved by the board of directors:
  1. The total assets involved in the transaction account for more than 50% of the Company's latest audited total assets, where the total assets involved in the transaction have both book value and appraisal value, the higher one will be used as the calculation data;
  2. The main business income related to the target of transaction (such as equity) in the most recent accounting year accounts for more than 50% of the Company's audited main business income in the most accounting fiscal year;
  3. The net profit related to the target of transaction (such as equity) in the most recent accounting year accounts for more than 50% of the Company's audited net profit in the most accounting fiscal year;
  4. The closing amount of the transaction (including liabilities taken and expenses) accounts for more than 50% of the Company's latest audited net assets;
  5. The profit generated from the transaction accounts for more than 50% of the Company's audited net profit in the most recent accounting year;



6. Any external investment which may constitute a transaction under Chapter 14 “Notifiable Transactions” of the Hong Kong Listing Rules, with any applicable percentage ratios in respect of which are greater than or equal to 25%;
  7. Transactions that are subject to approval by the shareholders’ general meeting as stipulated in the regulatory rules of the place where the Company’s shares are listed.
- (2) Transactions of the Company (except for provision of guarantees and financial assistance) that meet one of the following standards but have not yet reached the standard that should be submitted to the shareholders’ general meeting for consideration shall be considered and approved by the board of directors:
1. The total assets involved in the transaction account for more than 10% of the Company’s latest audited total assets, where the total assets involved in the transaction have both book value and appraisal value, the higher one will be used as the calculation data;
  2. The main business income related to the target of transaction (such as equity) in the most recent accounting year accounts for more than 10% of the Company’s audited main business income in the most accounting fiscal year;
  3. The net profit related to the target of transaction (such as equity) in the most recent accounting year accounts for more than 10% of the Company’s audited net profit in the most accounting fiscal year;
  4. The closing amount of the transaction (including liabilities taken and expenses) accounts for more than 10% of the Company’s latest audited net assets;
  5. The profit generated from the transaction accounts for more than 10% of the Company’s audited net profit in the most recent accounting year;
  6. Any external investment which may constitute a transaction under Chapter 14 “Notifiable Transactions” of the Hong Kong Listing Rules, with any applicable percentage ratios in respect of which are greater than or equal to 5%.
- (3) Transaction matters other than those shall be considered and approved by the shareholders’ general meeting and board of directors as mentioned above shall be considered and approved by the general manager.

- (4) The means and methods for determining the relevant amounts in the foregoing provisions shall be as follows:
1. Where the Company and a same transaction party have two transactions in opposite directions at the same time except for external investment, provision of financial assistance and provision of guarantees, the calculation shall be based on the higher of the indicators involved in the transaction in a single direction.
  2. If a transaction occurs in the Company with the subject matter of equity interests, and the purchase or sale of the equity will result in a change in the scope of the Company's consolidated statements, all assets and operating income of the corresponding company of the equity interests shall be deemed to be the total assets involved in the transaction mentioned in this article and the operating income relevant to the subject matter of the transaction.
  3. Where the Company has transactions such as provision of financial assistance or entrusted wealth management, the actual amount incurred shall be used as the calculation standard, and the calculation shall be cumulative within twelve consecutive months according to the specific type of transaction, and the applicable consideration procedures shall be determined based on the cumulative calculation amount.
  4. Where the Company invests externally to establish a limited liability company or a joint stock limited company, the total amount of capital contribution stipulated in the agreement shall be the standard.
  5. Where the Company has asset purchase or disposal transactions, the higher of the total assets and the transaction amount shall be used as the calculation standard, and shall be calculated cumulatively within twelve consecutive months according to the specific type of transaction; where the cumulative calculation reaches 30% of the latest total audited assets of the Company, it shall be audited or evaluated in accordance with requirements, and it shall also be submitted to the shareholders' general meeting for consideration, and be approved by more than two-thirds of the voting rights held by shareholders attending the meeting.
  6. For the above matters, if the review procedures have been carried out as required, they will no longer be included in the relevant range of cumulative calculation.

**Article 117** The board of directors shall meet at least 2 times a year, such meeting shall be convened by the chairman of the board of directors, with written notice to all directors and supervisors 10 days prior to the meeting.

**Article 118** Shareholders representing more than 10% of the voting right, one third or more of the directors or the board of supervisors may propose to convene an interim Board meeting. A meeting of the board of directors shall be convened and presided by the chairman of the board of directors within 10 days upon receipt of the proposal.

**Article 119** Notice (in written form) of an interim board meeting convened by the board of directors shall be served 5 days in advance of such meeting. In case of emergency where an interim Board meeting is required to be convened as soon as possible, the notice of meeting may be given at any time, for a minimum of 3 days before the convening of the interim Board meeting, but the convener shall give an explanation at the meeting.

**Article 120** The notices of meetings of the board of directors shall contain the following:

- (1) the date and place of the meeting;
- (2) the duration of the meeting;
- (3) the matters to be considered and the agenda of the meeting;
- (4) the date of the notice.

**Article 121** No meeting of the board of directors shall be held unless attended by an absolute majority of directors. Any resolution adopted by the board of directors shall require affirmative votes by an absolute majority of directors.

When voting on board of directors' resolutions, one director shall have one vote.

**Article 122** Where a director has a connected relationship with any enterprise involved in a resolution to be voted on at a meeting of the board of directors, the director concerned shall not exercise her/his voting rights for that resolution, nor shall she/he exercise voting rights on behalf of any other director. The relevant meeting of the board of directors shall not be held unless attended by an absolute majority of directors without a connected relationship with any such enterprise, and any resolution made at the meeting must be voted for by a majority of directors without any such relationship to be passed. Where the number of directors without any such connected relationship attending the meeting is less than three, the matter shall be submitted to the shareholders' general meeting for consideration.

**Article 123** Board meetings shall generally be held onsite. Voting on resolutions at an on-site board meeting may be by way of a show of hands or by poll. A poll shall be taken if any one of the directors so requests.

Whenever it is necessary, the board meetings may be convened through video, telephone, fax or email after agreement of the convener (the presider) and proposer provided that the directors can fully give their opinions.

The board meetings may also be held on site and off site simultaneously.

Where a Board meeting is held off site, the number of directors present is calculated according to the directors present in the video, the directors expressing opinions in the teleconference, the number of valid votes including faxes or emails received within the specified period, or the written confirmations submitted by the directors after the meetings.

**Article 124** Directors shall attend the meetings of the board of directors in person. Where a director is unable to attend a meeting for any reason, he/she may, by a written power of attorney, appoint another director to attend the meeting on his 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 who attend the meeting on behalf of appointed director shall exercise the rights of a director to the extent authorised. Where a director is unable to attend a meeting of the board of directors and has not appointed a proxy to attend the meeting on his behalf, he/she shall be deemed to have waived his right to vote at the meeting.

**Article 125** The board of directors shall keep minutes of decision made on issues discussed at the board meetings. The minutes shall be signed by the participating directors.

The minutes of a board meeting shall be kept as the Company's record for a period of 10 years.

**Article 126** The minutes of the board meeting shall include:

- (1) the convening date, place and the convener's name of the meeting;
- (2) names of directors present and such directors appointed as proxies to attend the meeting;
- (3) agenda of the meeting;
- (4) key points of speeches of the directors;
- (5) the voting method and the results of each resolution (the number of votes in favor, against or abstain shall all be clearly indicated);
- (6) other contents as required by the rules of procedure of the board meetings.

## **Chapter 6 General Manager and Other Senior Management Members**

**Article 127** The Company shall appoint one general manager, who shall be appointed or dismissed by the board of directors.

The general manager, the deputy general managers, the chief financial officer and secretary of the Board shall be deemed to be the senior management members of the Company.

**Article 128** Provisions of Article 98 of the Articles of Association with respect to the circumstances where a person may not serve as director of the Company are applicable to senior management members.

Provisions of Article 100 of the Articles of Association with respect to the fiduciary duties of the directors, and provisions of Article 101 (4) to (6) of the Articles of Association with respect to the duties of diligence are applicable to senior management members.

**Article 129** Any person holding a position other than directors and supervisors in the Company's controlling shareholders and de facto controllers shall not serve as the senior management members of the Company.

The senior management members of the Company shall only receive remuneration in the Company and shall not be paid by the controlling shareholders on behalf of the Company.

**Article 130** The general manager has a term of office of three years and may be re-appointed for a second consecutive term.

**Article 131** The general manager shall be accountable to the board of directors and shall exercise the following functions and powers:

- (1) to manage the Company's production and operations, and organise the implementation of Board resolutions and report his/her work to the board of directors;
- (2) to organise and implement the Company's annual business plan and investment proposals;
- (3) to formulate the Company's internal management structure proposals;
- (4) to formulate the Company's fundamental management system;
- (5) to formulate specific rules and regulations for the Company;
- (6) to propose to the board of directors on the appointment or dismissal of the deputy general managers or the chief financial officer of the Company;
- (7) to appoint or dismiss officers of the Company other than those to be appointed or dismissed by the board of directors;
- (8) any other functions and powers granted by the Articles of Association or the board of directors.

The general manager shall be present at Board meetings.

**Article 132** The general manager shall lay down his/her terms of reference which may be implemented upon approval by the board of directors.

**Article 133** The terms of reference of the general manager cover the following:

- (1) the conditions, procedures and number of participants for holding a general manager's meetings;
- (2) their respective duties and division of responsibilities among the general manager and other senior management members;
- (3) the use the capital and the assets of the Company and the extent of powers in the execution of major contracts, and the reporting system to the board of directors and the board of supervisors;
- (4) any other matters considered necessary by the board of directors.

**Article 134** The general manager may submit his/her resignation before the expiry of his/her term of service. The specific procedures and methods concerning the general manager's resignation are specified in the employment contract between the general manager and the Company.

**Article 135** The Company shall appoint several deputy general managers, who shall be nominated by the general manager and shall be appointed or dismissed by the board of directors.

The deputy general managers shall be responsible for assisting in the work of the general manager and shall be accountable to the general manager. The deputy general managers shall perform their duties diligently, conscientiously, honestly and faithfully, and report their work regularly to the general manager. The scope of duties of the deputy general managers shall be determined by the general manager in terms of specific division of labor.

The deputy general managers shall comply with the relevant provisions of the laws, administrative regulations, departmental rules and the Articles of Association.

**Article 136** The Company shall appoint a chief financial officer, who shall be nominated by the general manager and shall be appointed or dismissed by the board of directors.

The chief financial officer is in charge of the Company's financial affairs and manages and monitors the Company's financial activities.

The chief financial officer shall comply with the relevant provisions of the laws, administrative regulations, departmental rules and the Articles of Association.

**Article 137** The Company shall appoint a secretary of the Board, who shall be appointed or dismissed by the board of directors.

The secretary of the Board shall be responsible for the preparations for shareholders' general meetings and Board meetings, keeping of documentation and managing shareholders' data as well as handling matters such as information disclosure of the Company.

The secretary of the Board shall comply with the relevant provisions of the laws, administrative regulations, departmental rules and the Articles of Association.

**Article 138** If a senior management member contravenes the provisions of laws, administrative regulations, departmental rules or the Articles of Association when carrying out his/her duties in the Company, he/she shall be liable to compensate the Company for the losses thereof.

**Article 139** Senior management members of the Company shall perform their duties honestly, and protect the best interests of the Company and all the shareholders. Senior management members of the Company shall be liable for compensation in accordance with the laws for any damage caused to the interests of the Company and public shareholders as a result of their failure to perform duties honestly or violation of their fiduciary duties.

## **Chapter 7 Board of Supervisors**

### **Section 1 Supervisors**

**Article 140** Provisions of Article 98 of the Articles of Association with respect to the circumstances where a person may not serve as director of the Company are applicable to the supervisors.

Directors, the general manager and other senior management members may not concurrently serve as supervisors.

**Article 141** Supervisors shall comply with laws, administrative regulations and the Articles of Association, and bear fiduciary and diligent duties to the Company. Supervisors shall not abuse their powers to accept bribes or other illegal income or misappropriate the Company's property.

**Article 142** Employee representative supervisors shall be elected by the employees of the Company through the employee representative meeting, employee meeting or other forms of democratic election, and shall directly join the board of supervisors. Non-employee representative supervisors shall be elected or replaced by the shareholders' general meeting.



The term of office of a supervisor shall be three years, but shall not exceed the term of office of the current session of the board of supervisors. On the expiration of her/his term of office, the same supervisor may be re-elected and serve another term of office. The term of office of a supervisor shall be calculated from the date when he/she takes office until the expiration of the term of office of the current session of the board of directors.

**Article 143** Where a supervisor has not been timely re-elected at the expiry of the term of office or a supervisor has resigned during the term of office as a result of which the number of members in the supervisory committee falls below the quorum, the original supervisor shall perform his/her duties as a supervisor, prior to the assumption by the re-elected supervisor, in accordance with the laws, administrative regulations as well as the provisions of the Articles of Association.

**Article 144** Supervisors shall ensure any information disclosed by the Company to be true, accurate and complete, and sign a written confirmation for regular reports.

**Article 145** Supervisors may attend at Board meetings, and raise any inquiry or make any suggestion regarding the resolutions of the Board.

**Article 146** Supervisors shall not use their connected relationship to prejudice the interests of the Company and shall be held liable for and indemnify any loss caused to the Company.

**Article 147** Any supervisor who violates laws, administrative regulations, departmental rules or the Articles of Association when performing his/her duties in the Company shall be held liable to the Company for any damages caused by such violation.

## **Section 2 Board of Supervisors**

**Article 148** The Company shall establish a board of supervisors, who shall be accountable to all shareholders.

**Article 149** The board of supervisors shall consist of three supervisors, including an employee representative supervisor.

The members of the board of supervisors shall consist of shareholder representative supervisors and employee representative supervisors. Shareholder representative supervisors shall be elected and removed by the shareholders' general meeting. No less than one-third of the members of the board of supervisors shall be employee representative supervisors, who shall be elected and removed democratically by the employees of the Company.

**Article 150** The board of supervisors shall exercise the following functions and powers:

- (1) to examine and give written examination opinions on the Company's regular reports prepared by the board of directors;
- (2) to review the financial affairs of the Company;
- (3) to monitor the conduct of the directors or senior officers in the course of performing their duties and to propose the dismissal of any director or senior officer who violates any law or administrative regulations, the Articles of Association or resolutions of the shareholders' general meeting;
- (4) to require any director or senior officer who damages the Company's interests to take remedial action;
- (5) to propose interim shareholders' general meetings, and to convene and preside over a shareholders' general meeting when the board of directors fails to perform its duty to convene and preside over a shareholders' general meeting as prescribed in the Company Law;
- (6) to submit proposals to the shareholders' general meeting;
- (7) to file a suit against any director or senior officer of the Company in accordance with the provisions of Article 151 of the Company Law;
- (8) to undertake an investigation on discovering any irregularities in the operation of the Company and, where necessary, engage professional institutions, such as accounting firms and law firms, to assist in any such investigation at the expense of the Company.

**Article 151** The board of supervisors shall appoint one chairman, who shall be elected by a majority of all the supervisors.

**Article 152** The chairman of the board of supervisors shall be responsible for convening and presiding over the meetings of the board of supervisors.

Where the chairman of the board of supervisors is incapable of performing or fails to perform his/her duties, a supervisor elected by a majority of the supervisors shall convene and preside over the meetings of the board of supervisors.

**Article 153** The board of supervisors shall establish the rules of procedure for the meetings of the board of supervisors specifying the procedures for discussion and voting of the board of supervisors so as to ensure the efficiency and rational decision-making of the board of supervisors. The rules of procedure for the board of supervisors shall be formulated by the board of supervisors and submitted for approval at the shareholders' general meeting.

**Article 154** Meetings of the board of supervisors shall be held at least once every six months, which shall be presided over by the chairman of the board of supervisors. Notice of the meeting shall be served to all supervisors ten days prior to the date of the meeting.

**Article 155** A supervisor may propose to convene an extraordinary meeting of the board of supervisors.

**Article 156** Notice of the extraordinary meeting shall be served to all supervisors five days prior to the date of the meeting. In case of emergency and an extraordinary meeting of the board of supervisors is required to be convened as soon as possible, the notice of meeting may be given at any time, but the convener shall provide an explanation at the meeting.

**Article 157** The notice of a meeting of the board of supervisors shall include the following:

- (1) date, place and duration of the meeting;
- (2) subject matter and topics of the meeting;
- (3) date of notice.

**Article 158** Meetings of the board of supervisors shall be held only if more than half of the supervisors are present. Resolutions of the board of supervisors shall be adopted with the approval of more than half of all supervisors.

Each supervisor shall have one vote for resolutions to be approved by the board of supervisors.

**Article 159** The board of supervisors may carry out voting to approve resolutions by a show of hands or by ballot, but where any supervisor requires the voting to be held by ballot, it shall be held by ballot.

**Article 160** The supervisors shall attend the meetings of the board of supervisors in person. Where any supervisor is unable to attend the meetings of the board of supervisors for any reason, he/she may authorise another supervisor in writing to attend on his/her behalf. The power of attorney shall specify the name of the proxy, matters to be represented, scope of authorization and validity term and shall bear the signature or seal of the principal. The supervisor who attends the meeting on behalf of another supervisor shall exercise the supervisor's rights within the scope of authorization. Where a supervisor does not attend a meeting of the board of supervisors and does not appoint a proxy to attend on his/her behalf, he/she shall be deemed to have forfeited his/her voting rights at the said meeting.

**Article 161** The board of supervisors shall record its decisions on all matters considered at the meeting into the meeting minutes. Participating supervisors shall sign the meeting minutes for confirmation.

Supervisors are entitled the right to make certain written explanations for their speeches delivered at the meeting in the minutes. The meeting minutes of the board of supervisors shall be kept as corporate documents for a period of 10 years.

## **Chapter 8 Financial Accounting System, Profit Distribution and Audit**

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

**Article 162** The Company shall formulate its own financial and accounting system in accordance with the laws, administrative regulations and the provisions of relevant state departments. The Company shall prepare a financial report at the end of each fiscal year and examine and verify it according to the law.

**Article 163** The Company's board of directors shall submit the financial reports prepared by the Company in accordance with the relevant laws, administrative regulations, regulatory documents promulgated by the local government and the competent authorities to the shareholders at every annual general meeting.

**Article 164** In addition to complying with Chinese accounting standards and relevant regulations, the financial statements of the Company shall be prepared in accordance with international accounting standards or the accounting standards of the overseas place where the Company's shares are listed. If there is any significant discrepancy between the financial statements prepared in accordance with these two kinds of accounting standards, such discrepancy shall be indicated in the notes attached to the financial statements. When distributing the after-tax profits of a given fiscal year, the Company shall adopt as final the smaller amount of after-tax profits in the aforesaid two kinds of financial statements.

**Article 165** Interim results or financial information published or disclosed by the Company shall be prepared in accordance with Chinese accounting standards and relevant regulations as well as international accounting standards or accounting standards of the overseas place where the Company's shares are listed.

**Article 166** The Company shall not maintain any account books other than the statutory account books. The assets of the Company shall not be deposited in any personal account.

**Article 167** In distributing its current-year after-tax profits, the Company shall allocate 10% of its profit to its statutory reserve fund. Allocations to the Company's statutory reserve fund may be waived once the cumulative amount of funds therein exceeds 50% of the Company's registered capital.

Where the statutory reserve fund is not sufficient to cover any loss made by the Company in the previous year, the current year's profit shall be used to cover such loss before any allocation is made to the statutory reserve fund pursuant to the preceding paragraph.

After an allocation to the statutory reserve fund has been made from the after-tax profit of the Company, and subject to the adoption of a resolution by the shareholders' general meeting, an allocation may be made to the discretionary reserve fund.

After the Company has covered its losses and made allocations to the reserve funds, any remaining profit shall be distributed to the shareholders in proportion to their respective shareholdings.

Where the shareholders' general meeting, in violation of the preceding paragraph, distributes profits to the shareholders before covering company losses and making an allocation to the company statutory reserve fund, the profits so distributed must be returned to the Company.

Profits shall not be distributed to company shares held by the Company itself.

**Article 168** The Company's common reserve fund shall be applied to cover the losses of the Company, expand its business operations or be converted to increase the capital of the Company, but the capital reserve fund shall not be used to cover the losses of the Company.

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

**Article 169** After the resolution on the profit distribution plan has been adopted at the shareholder's general meeting of the Company, or after the board of directors of the Company has formulated a specific plan based on the next year's interim dividend conditions and upper limit reviewed and approved by the annual general meeting, the distribution of dividends (or shares) shall be completed within two months.

**Article 170** The Company may distribute dividends in cash or by shares.

**Article 171** The Company shall implement a proactive profit distribution policy based on the principle of "equal shares, equal profits", at the end of each accounting year, the board of directors of the Company shall propose a profit distribution plan and a plan for making up losses based on the operating results of the year and future production and business project, which shall be implemented after being considered and approved by the shareholders' general meeting.

(1) Principles for profit distribution

The Company implements a proactive profit distribution policy that emphasises a reasonable return on investment for investors and takes into account the sustainable development of the Company, and the profit distribution policy shall maintain continuity and stability. The Company may distribute profits in the form of cash, shares or a combination of cash and shares, and the distribution of profits shall not exceed the extent of accumulated distributable profits and shall not impair the Company's ability to continue as a going concern.

(2) Decision-making process and mechanism for profit distribution

1. The annual profit distribution proposal of the Company shall be prepared by the board of directors, taking into account the Company's profitability and the supply and demand of funds. When the board of directors considers a specific proposal for cash dividends, it shall seriously study and discuss matters such as the timing, conditions and minimum percentage of cash dividends, the conditions for adjustments and the requirements of its decision making procedures, etc. The independent directors shall review the profit distribution proposal and express their definitive opinions, and the proposal shall be submitted to the shareholders' general meeting for consideration after being approved by the board of directors.
2. Where the Company's board of directors makes a plan not to implement profit distribution or to implement a profit distribution plan that does not include cash distribution, the board of directors shall disclose in the regular report the reasons for not implementing profit distribution or implementing a profit distribution plan that does not include cash distribution, and the independent directors shall express their independent opinions in this regard. The undistributed profits of the Company for the year will be utilised to meet the Company's normal production and operation requirements and long-term development needs.

(3) The Company's policies for profit distribution

1. Distribution Principles: The Company implements a proactive profit distribution policy that emphasises a reasonable return on investment for shareholders and takes into account the sustainable development of the Company, and the profit distribution policy would maintain continuity and stability.
2. Distribution method: The Company may distribute profits in the form of cash, shares or a combination of cash and shares, where the conditions for cash dividends are met, cash dividends will take precedence over share dividends.
3. Distribution cycle of dividend: In principle, the Company shall distribute profits at least once a year. The board of directors of the Company may propose the Company to make interim profit distribution and special profit distribution and submit them to the shareholders' general meeting of the Company for approval in the light of the Company's profitability and capital requirements.
4. Conditions for distribution of cash dividend: Where the Company has made a profit in the previous accounting year and the cumulative distributable profit was positive, the Company shall carry out distribution of cash dividends provided that the Company's capital requirements for normal production and operation are met.

When the audit report for the most recent year of the Company contains a non-unqualified opinion or an unqualified opinion with significant uncertainties related to continuing operations/the asset-liability ratio is higher than a certain specific proportion/the operating cash flow is lower than a certain specific level, the Company may not make profit distribution.

In the case of profit distribution by means of share dividends, the board of directors of the Company shall explain the factors justifying the adoption of share dividends for profit distribution.

- (4) The Company's profit distribution policy will maintain continuity and stability, and if it is necessary to adjust the profit distribution policy as a result of significant changes in the external business environment or its own operating conditions, the adjustment shall be based on the protection of shareholders' rights and interests, and the board of directors and the board of supervisors of the Company shall study and discuss the matter, and shall discuss and explain the reasons for the adjustments in the proposal for the shareholders' general meeting taking into account the competitive conditions of the industry, the Company's financial conditions, and the planning of the Company's capital requirements, etc.. The resolution on adjusting the profit distribution policy shall be submitted to the shareholders' general meeting of the Company for approval after consideration by the board of directors and examination by the board of supervisors, and the independent directors shall express their independent opinions thereon, and the adjusted profit distribution policy shall not be in contravention of the relevant regulations of CSRC and the stock exchange of the places where the Company is listed.
- (5) In the event of appropriation of the Company's funds by a shareholder in violation of requirements, the Company shall deduct the cash dividends to be distributed to such shareholder to reimburse the funds appropriated by the shareholder.

## **Section 2 Internal Audit**

**Article 172** The Company shall implement an internal audit system and arrange for full-time auditors to supervise the internal auditing of the Company's financial revenue and expenditure, as well as its economic activities.

**Article 173** The internal audit system and the duties of the auditing staff of the Company shall come into effect upon approval by the board of directors. The person in charge of audit shall be accountable and report to the board of directors.



### **Section 3 Engagement of Accounting Firm**

**Article 174** The Company shall appoint an independent accounting firm that complies with the Securities Law, relevant national regulations and the rules of the place where the Company's shares are listed to provide services such as the audit of financial statements, the verification of net assets and other relevant consultancy services. The term of appointment shall be one year, starting from the end of the current annual general meeting of the company and ending at the end of the next annual shareholders' general meeting, and may be renewed.

**Article 175** The appointment, dismissal or the end of contract of the accounting firm that provides regular audit services to the Company shall be determined by the shareholders' general meeting, and the board of directors shall not appoint an accounting firm before the decision of the shareholders' general meeting.

**Article 176** The Company ensures to provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal or withholding or falsification of information.

**Article 177** The auditing fee for the accounting firm shall be decided by the shareholders' general meeting.

**Article 178** A 20-day prior notice shall be given to the accounting firm if the Company decides to remove such accounting firm or not to renew the engagement thereof. The accounting firm is entitled to make representations at the shareholders' general meeting of the Company before the voting on a resolution regarding the removal of such accounting firm is conducted thereat.

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

### **Chapter 9 Notice and Announcement**

#### **Section 1 Notice**

**Article 179** Company notices shall be served by any of the following means:

- (1) by personal delivery;
- (2) by mail;
- (3) by fax, e-mail, text message and other channels that physically deliver information;
- (4) by announcement (including announcements published on the designated website and website of the Company in the form required by the stock exchange of the place where the shares of the Company are listed);

- (5) by other methods stipulated in laws, administrative regulations, departmental rules and the Articles of Association and required by the rules of regulatory authorities of the place where the shares of the Company are listed.

**Article 180** Subject to the laws, administrative regulations, listing rules of the stock exchange of the place where the shares of the Company are listed and the Articles of Association, notices sent by way of public announcement by the Company shall be deemed to have been received by all relevant parties after the publication of such announcement.

**Article 181** A notice of convening shareholders' general meetings of the Company shall be served by way of an announcement. Announcement shall be published on media designated by the laws, administrative regulations, departmental rules, the listing rules of the stock exchange of the place where the shares of the Company are listed for information disclosure.

**Article 182** The notice of convening board meetings shall be delivered to all directors by personal delivery, mail, fax, email or other written means. If an emergency requires that an extraordinary meeting of the board of directors be held as soon as possible, a meeting notice may be issued by telephone or other oral means, but the convener shall make an explanation at the meeting.

**Article 183** The notice of convening meetings of the board of supervisors shall be delivered to all directors by personal delivery, mail, fax, email or other written means. If an emergency requires that an extraordinary meeting of the board of directors be held as soon as possible, a meeting notice may be issued by telephone or other oral means, but the convener shall make an explanation at the meeting.

**Article 184** For the notice delivered by way of announcement, the date of the first publication of the announcement shall be deemed as the date of delivery; for the notice of the Company delivered by hand, the recipient shall sign (or chop) on the reply slip upon delivery and the receipt date of the recipient shall be the date of delivery; for the notice delivered by post, the delivery date shall be three business days after the mail has been handed to the post office; for the notice delivered by fax or email, the date of issuance shall be deemed as the date of delivery if the fax or email communication is confirmed to be successful; for the notice delivered by telephone or other oral means, the date of issuance shall be deemed as the date of delivery.

**Article 185** The accidental omission in giving notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.

**Article 186** Where relevant corporate documents must be in the English language and be accompanied by a Chinese version and be served through delivery, post, distribution, sending out, announcement or other means according to the relevant requirements of the securities regulatory authority of the place where the Company's shares are listed, in respect of shareholders who under proper arrangements by the Company confirm to receive such information only in English or Chinese version as well as to the extent of the applicable laws and regulations, the Company may send such documents in English or Chinese version to relevant shareholders according to their specified wish.

**Article 187** The Company shall issue announcements and disclose information to domestic shareholders through newspapers and websites designated by laws, administrative regulations or relevant domestic regulatory authorities for information disclosure. If an announcement is required to be delivered to the holders of H Shares under these Article, such announcement shall also be published in the designated newspapers, websites and/or websites of the Company in the form as required by the Hong Kong Listing Rules. All notices or other documents which shall be submitted by the Company to be the Hong Kong Stock Exchange under Chapter 11 of the Hong Kong Listing Rules shall be in the English or accompanied by a certified English translation thereof.

## **Section 2 Announcement**

**Article 188** The Company shall regard the media and websites designated by the CSRC and the stock exchange of the place where the shares of the Company are listed for information disclosure as its media for publishing corporate announcement and other disclosable information.

## **Chapter 10 Merger, Division, Increase and Reduction of Capital, Dissolution and Liquidation**

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

**Article 189** 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, companies involved in the merger will be dissolved.

**Article 190** 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 from the date of the Company's merger resolution and shall publish an announcement in the information disclosure newspaper designated by the Company and approved by the stock exchange where the Company's shares are listed within 30 days from the date of such resolution. The creditors shall, within 30 days of the receipt of the notice or, for those who do not receive the notice, within 45 days from the date of the announcement, demand the Company to settle their debts or provide corresponding guarantees for such debts.

**Article 191** After the merger of the Company, the claims and debts of the parties to the merger shall be assumed by the surviving company or the newly established company.

**Article 192** When the Company is divided, its assets shall be split up accordingly.

In the event of a division, the Company shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's resolution on division, and shall publish an announcement on the information disclosure newspaper designated by the Company within 30 days from the date of such resolution.

**Article 193** The companies which exist after the division shall be jointly and severally liable for the debts of the Company prior to the division, except when the Company has reached a written agreement on debt settlement with the creditors before the division.

**Article 194** Where the Company is required to reduce its registered capital, it shall prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days from the date of passing the Company's resolution on reduction of registered capital and shall publish an announcement on the information disclosure newspaper designated by the Company within 30 days from the date of such resolution. The creditors shall, within 30 days of the receipt of the notice or, for those who do not receive the notice, within 45 days from the date of the announcement, demand the Company to settle their debts or provide corresponding guarantees for such debts.

The registered capital of the Company after reduction shall not be less than the statutory minimum amount.

**Article 195** Where a merger or division of the Company involves any change in the registered items, such changes shall be registered with the Company registration authority according to law. Where the Company is dissolved, cancellation of the Company's registration shall be carried out according to law. Where a new company is formed, the registration of such company's incorporation shall be carried out pursuant to law.

In the event that the Company increases or decreases its registered capital, it shall register the changes with the Company registration authority in accordance with the laws.

## **Section 2 Dissolution and Liquidation**

**Article 196** The Company shall be dissolved and liquidated according to law in any of the following circumstances:

- (1) the operating term prescribed in the Articles of Association has expired, or any other grounds for dissolution prescribed in the Articles of Association have arisen;
- (2) the shareholders' general meeting has adopted a resolution to dissolve the Company;
- (3) dissolution is required due to a merger involving the Company or the breakup of the Company;
- (4) the Company's business license has been lawfully revoked, or the Company has been ordered to close down or wound up;
- (5) where serious difficulties have arisen in the operation of the Company and the continuation of the Company would certainly damage the shareholders' interests to a significant extent; however, where any such scenario cannot be resolved through other channels, shareholders representing more than 10% of all voting rights may petition the people's court to dissolve the Company.

**Article 197** Where the circumstances described in item (1) of Article 197 apply to the Company, it may amend its Articles of Association to continue its existence.

Any amendment made to the Articles of Association pursuant to the preceding paragraph shall be adopted by no less than two-thirds of all voting shareholders in attendance at the relevant shareholders' general meeting.

**Article 198** Where the Company is to be dissolved pursuant to items (1), (2), (4) or (5) in Article 196 of the Articles of Association, a liquidation committee shall be established within 15 days from the date when the event of liquidation occurs. The liquidation committee shall be composed of directors or members determined by the shareholders' general meeting. Where the Company fails to form a liquidation committee to liquidate the Company within the prescribed period of time, its creditors may petition the people's court to appoint the relevant persons to establish a liquidation committee and liquidate the Company.

**Article 199** The liquidation committee shall exercise the following functions and powers during the period of liquidation:

- (1) sorting out the property of the Company, and preparing a balance sheet and an inventory of assets separately;
- (2) serving notices or making announcements to creditors;
- (3) processing the unfinished businesses of the Company related to the liquidation;
- (4) clearing off the outstanding taxes and the taxes incurred in the course of liquidation;
- (5) clearing off credits and debts;
- (6) disposing of the residual property of the Company after settling debts;
- (7) participating in the civil litigation on behalf of the Company.

**Article 200** The liquidation committee shall notify creditors within ten days of its establishment, and shall make a public announcement in the information disclosure newspaper designated by the Company within 60 days. Creditors shall file their claims with the liquidation committee within 30 days of receiving the notice, or within 45 days of publication of the first notice if any such creditor does not receive the notice.

In filing their claims, creditors shall provide all relevant details relating thereto and provide supporting materials. The liquidation committee shall make records of such claims.

The liquidation committee shall not pay out on any creditors' claims while such claims are still being filed.

**Article 201** After identifying the Company's assets and preparing the balance sheet and schedule of assets, the liquidation committee shall prepare a liquidation plan, which shall be submitted to the shareholders' general meeting or the people's court for ratification.

After paying all liquidation expenses, staff wages and labor insurance expenses, statutory expenses, outstanding taxes, and company debts, the remaining assets shall be distributed to the shareholders in proportion to their respective shareholdings.

During the liquidation, the Company shall continue in existence, but shall not carry on any business unconnected to the liquidation. The assets of the Company shall not be distributed to its shareholders before payments have been made in accordance with the preceding provisions.

**Article 202** Where the liquidation committee, after identifying the Company's assets and preparing the balance sheet and schedule of assets, discovers that the Company does not have sufficient assets to repay the Company's debts in full, the liquidation committee shall file a bankruptcy declaration with the people's court in accordance with the law.

Once the people's court has declared the Company's bankruptcy, the liquidation group shall transfer the liquidation of the company to the people's court.

**Article 203** On completion of the Company's liquidation, the liquidation committee shall prepare a liquidation report, which shall be submitted to the shareholders' general meeting or the people's court for ratification, and upon ratification, the liquidation committee shall submit the report to the Company registration authority to apply for company deregistration, and make a public announcement on the winding-up of the Company.

**Article 204** Members of the liquidation committee are required to discharge their duties in good faith and perform their obligation of the liquidation 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 shall assume compensation liability if the Company or creditors incur losses as a result of the deliberate or gross default of the said members.

**Article 205** Where the Company is declared bankrupt in accordance with the law, it shall carry out bankruptcy liquidation in accordance with relevant corporate bankruptcy laws.

## **Chapter 11 Amendment to Articles of Association**

**Article 206** The Company shall amend its Articles of Association under any of the following circumstances:

- (1) where, following any amendment to the Company Law or other applicable laws and administrative regulations, the provisions of the Articles of Association conflict with the revised laws, administrative regulations;
- (2) where the Company's circumstances change to such an extent that they are inconsistent with what is recorded in the Articles of Association;
- (3) where the shareholders' general meeting decides to amend the Articles of Association.



**Article 207** Where it is necessary to have any amendment to the Articles of Association that has been adopted by a resolution of the shareholders' general meeting approved by the competent authorities, the relevant amendment shall be submitted to the competent authorities for approval; where the amendment involves a company registration item, the Company's registration shall be amended in accordance with the law.

**Article 208** The board of directors shall amend the Articles of Association according to the resolutions of the shareholders' general meeting and the review opinions of the relevant competent authority.

**Article 209** Any amendment to the Articles of Association that involves information to be disclosed as required by laws and regulations shall be announced to the public as required.

## **Chapter 12 Supplementary Provisions**

### **Article 210 Definitions**

- (1) "Controlling shareholder" refers to a shareholder whose shareholding of shares accounts for more than 50% of the entire share capital of the Company, or a shareholder whose shareholding accounts for less than 50% but the voting rights entitled by the shares held are sufficient to exert a major impact on resolutions at the shareholders' general meeting.
- (2) "De facto controller" refers to anyone (even though not a shareholder of the Company) who can actually control the actions of the Company through investment relationships, agreements or any other arrangements.
- (3) "Connected relationship" refers to the definition set out in the Hong Kong Listing Rules.

**Article 211** The board of directors may formulate by-laws in accordance with the Articles of Association, provided that such by-laws do not conflict with the provisions of the Articles of Association.

**Article 212** The Articles of Association are prepared in Chinese, and any discrepancies between the Articles of Association and other languages or versions in other Articles of Association, the latest Chinese version shall prevail that as approved by the Market Supervision Administration of the place where the Company operates.

**Article 213** The phrases "more than", "within" and "below" herein for the numbers include the numbers indicated themselves, while the phrases "less than", "beyond" "fall short", "over", "exceed" and "above" exclude the numbers indicated themselves.

**Article 214** It shall be the responsibility of the board of directors to interpret the Articles of Association.

**Article 215** The annexes hereof shall include the rules of procedure for the shareholders' general meeting, the rules of procedure for board meetings and the rules of procedure for the supervisory committee.

**Article 216** In case of any inconsistency between the Chinese version and other translations or versions of the Articles of Association, the Chinese version last filed with the relevant administration for market regulation shall prevail.

**Article 217** Matters not covered in the Articles of Association shall be dealt with in accordance with the laws, administrative regulations and the relevant provisions of the securities regulatory authorities of the place where the shares of the Company are listed based on the actual situation of the Company. If the Articles of Association conflicts with any laws, administrative regulations, normative documents promulgated by the state, the Articles of Association amended through legal procedures or the Hong Kong Listing Rules, it shall be implemented in accordance with the relevant laws, regulations, normative documents, the Articles of Association and the Hong Kong Listing Rules, and shall be revised immediately and submitted to the shareholders' meeting for deliberation and approval.

**Article 218** The Articles of Association shall be subject to the approval by special resolution at the shareholders' general meeting and shall be effective from the date of listing and trading of the H Shares of the Company on the main board of the Hong Kong Stock Exchange. The original articles of association of the Company shall automatically become void from the effective date of the Articles of Association.

(no text below)