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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **Biosino Bio-Technology and Science Incorporation**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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**中生北控生物科技股份有限公司**  
**BIOSINO BIO-TECHNOLOGY AND SCIENCE INCORPORATION**  
*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*  
(Stock Code: 8247)

**(1) ADOPTION OF THE RULES OF PROCEDURE OF  
THE SHAREHOLDERS' GENERAL MEETINGS,  
THE BOARD OF DIRECTORS AND THE BOARD OF SUPERVISORS**  
**(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**  
**(3) PROPOSED APPOINTMENT OF DIRECTOR**  
**(4) NOTICE OF CLASS MEETINGS**  
**AND**  
**(5) NOTICE OF EXTRAORDINARY GENERAL MEETING**

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The notices convening the respective class meeting(s) (the “**Class Meeting(s)**”) for holders of H shares (the “**H Shares**”) and domestic shares (the “**Domestic Shares**”) and the extraordinary general meeting (the “**Extraordinary General Meeting**”) of Biosino Bio-Technology and Science Incorporation (the “**Company**”) to be held at No. 27 Chaoqian Road, Science and Technology Industrial Park, Changping District, Beijing, the People's Republic of China on Tuesday, 26 September 2023 at 10:00 a.m., 10:30 a.m. and 11:00 a.m., respectively, are set out on pages 135 to 141 of this circular.

The reply slips and forms of proxy of the Class Meetings and the Extraordinary General Meeting are enclosed hereto and such reply slips and forms of proxy are also published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.zhongsheng.com.cn](http://www.zhongsheng.com.cn)). Whether or not you intend to attend the Class Meetings and the Extraordinary General Meeting, you are requested to complete and return (i) the reply slips enclosed with the notices of the Class Meetings and the Extraordinary General Meeting in accordance with the instructions printed thereon not later than 4:30 p.m. on Tuesday, 5 September 2023; and (ii) the forms of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the Class Meetings and the Extraordinary General Meeting or any adjournment thereof (as the case may be). Completion and return of the forms of proxy will not preclude you from attending and voting in person at the Class Meetings and the Extraordinary General Meeting or any adjournment thereof (as the case may be) if you so wish, and in such event, such forms of proxy shall be deemed to be revoked.

This circular will remain on the websites of Hong Kong Exchanges and Clearing Limited on the “Latest Listed Company Information” page for at least 7 days from the date of its posting

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## CHARACTERISTICS OF GEM

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**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Articles of Association” or “Articles”	the articles of association of the Company, as amended from time to time
“Board” or “Board of Directors”	the board of Directors
“Board of Supervisors” or “Supervisory Committee”	the board of Supervisors
“Class Meetings”	collectively, the Domestic Shareholders Class Meeting and the H Shareholders Class Meeting
“Company”	Biosino Bio-Technology and Science Incorporation (中生北控生物科技股份有限公司), a joint stock limited company established in the PRC with limited liability on 26 April 2001
“Company Law”	the Company Law of the PRC
“Consultation Paper”	consultation paper on “Rule Amendments Following Mainland China Regulation Updates and Other Proposed Rule Amendments Relating to PRC Issuers”
“Corporate Governance Code”	Appendix 15 of the GEM Listing Rules, as amended from time to time
“CSRC”	China Securities Regulatory Commission
“Decision”	Decision of the State Council to Repeal Certain Administrative Regulations and Documents (《國務院關於廢止部分行政法規和文件的決定》)
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) of nominal value of RMB1.00 each in the share capital of the Company which are subscribed for or credited as paid up in Renminbi

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## DEFINITIONS

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“Domestic Shareholders Class Meeting”	class meeting of the holders of the Domestic Shares to be convened at No. 27 Chaoqian Road, Science and Technology Industrial Park, Changping District, Beijing, the PRC on Tuesday, 26 September 2023 at 10:30 a.m. to consider and, if thought fit, to approve the proposed amendments to the Articles of Association
“Extraordinary General Meeting”	the extraordinary general meeting of the Company to be held at No. 27 Chaoqian Road, Science and Technology Industrial Park, Changping District, Beijing, the PRC on Tuesday, 26 September 2023 at 11:00 a.m., to consider and, if thought fit, to approve the resolutions contained in the notice of the Extraordinary General Meeting which is set out on pages 139 to 141 of this circular, or any adjournment thereof
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rule Governing the Listing of Securities on GEM
“Group”	the Company together with its subsidiaries
“H Share(s)”	overseas listed foreign shares in the ordinary share capital of the Company, with nominal value of RMB1.00 each, which are listed on GEM
“H Shareholders Class Meeting”	class meeting of the holders of the H Shares to be convened at No. 27 Chaoqian Road, Science and Technology Industrial Park, Changping District, Beijing, the PRC on Tuesday, 26 September 2023 at 10:00 a.m. to consider and, if thought fit, to approve the proposed amendments to the Articles of Association
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	8 August 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Mandatory Provisions”	Mandatory Provisions for Companies Listing Overseas (《到境外上市公司章程必備條款》)

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## DEFINITIONS

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“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	Domestic Shares and H Shares
“Shareholders”	the shareholders of the Company
“State Council”	the State Council of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisors”	the supervisors of the Company
“Trial Measures”	Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》)
“%”	per cent

*In this circular, the English names of the PRC entities or enterprises are translations of their Chinese names. In the event of any inconsistency, the Chinese names shall prevail.*

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## LETTER FROM THE BOARD

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**中生北控生物科技股份有限公司**  
**BIOSINO BIO-TECHNOLOGY AND SCIENCE INCORPORATION**  
*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 8247)**

*Chairman and executive Director*  
Mr. Wu Lebin (吳樂斌先生)

*Vice-chairmen and non-executive Directors*  
Dr. Sun Zhe (孫哲博士)  
Mr. Chen Zhengyong (陳正永先生)

*President and executive Director*  
Mr. Chen Peng (陳鵬先生)

*Non-executive Directors*  
Mr. Li Zhonghua (李忠華先生)  
Dr. Gao Guangxia (高光俠博士)

*Independent non-executive Directors*  
Prof. Shen Zuojun (沈佐君教授)  
Mr. Lu Qi (陸琪先生)  
Prof. Shen Jiangang (沈劍剛教授)

*Registered Office and principal place  
of business in the PRC:*  
No. 27 Chaoqian Road  
Science and Technology Industrial Park  
Changping District  
Beijing, PRC

*Principal place of business  
in Hong Kong:*  
66/F., Central Plaza  
18 Harbour Road Wanchai  
Hong Kong

11 August 2023

*To the Shareholders*

Dear Sir or Madam,

**(1) ADOPTION OF THE RULES OF PROCEDURE OF  
THE SHAREHOLDERS' GENERAL MEETINGS,  
THE BOARD OF DIRECTORS AND THE BOARD OF SUPERVISORS  
(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION  
(3) PROPOSED APPOINTMENT OF DIRECTOR  
(4) NOTICE OF CLASS MEETINGS  
AND  
(5) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide the Shareholders with information in relation to, among others, (i) the adoption of the rules of procedure of the Shareholders' general meetings, the Board of Directors and the Board of Supervisors; (ii) the proposed amendments to the Articles; (iii) the proposed appointment of Director; and (iv) the notice of the Extraordinary General Meeting, the notice of the H Shareholders Class Meeting and the notice of the Domestic Shareholders Class Meeting (collectively, the "Meetings").

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## LETTER FROM THE BOARD

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### 2. ADOPTION OF THE RULES OF PROCEDURE OF THE SHAREHOLDERS' GENERAL MEETINGS, THE BOARD OF DIRECTORS AND THE BOARD OF SUPERVISORS

#### 2.1 Adoption of the rules of procedure of the Shareholders' General Meetings

In order to standardise and enhance the ways matters are being considered and resolved at the Shareholders' general meetings so as to further improve the corporate governance standard of the Company, the Board proposes, in accordance with the relevant provisions of the Articles of Association, the Corporate Governance Code and taking into account the actual circumstances of the Company, to submit to the Shareholders at the Extraordinary General Meeting an ordinary resolution to consider and approve the adoption of the rules of procedure of the Shareholders' general meetings (details of which are set out in Appendix I to this circular) (the "**Rules of Procedure of the Shareholders' General Meetings**"). The Rules of Procedure of the Shareholders' General Meetings will take effect and be implemented after being approved by the Shareholders at the Extraordinary General Meeting.

#### 2.2 Adoption of the rules of procedure of the Board of Directors

In order to optimise the operating mechanism and decision-making procedures of the Board, as well as to promote Directors and the Board to effectively perform their duties, the Board proposes, in accordance with the relevant provisions of the Articles of Association, the Corporate Governance Code and taking into account the actual circumstances of the Company, to submit to the Shareholders at the Extraordinary General Meeting an ordinary resolution to consider and approve the adoption of the rules of procedure of the Board of Directors (details of which are set out in Appendix II to this circular) (the "**Rules of Procedure of the Board of Directors**"). The Rules of Procedure of the Board of Directors will take effect and be implemented after being approved by the Shareholders at the Extraordinary General Meeting.



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## LETTER FROM THE BOARD

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### 2.3 Adoption of the rules of procedure of the Board of Supervisors

In order to improve the corporate governance structure of the Company as well as to promote supervisors and the Board of Supervisors to effectively perform their duties, the Board of Supervisor proposes, in accordance with the relevant provisions of the Articles of Association, the Corporate Governance Code and taking into account the actual circumstances of the Company, to submit to the Shareholders at the Extraordinary General Meeting an ordinary resolution to consider and approve the adoption of the rules of procedure of the Board of Supervisors (details of which are set out in Appendix III to this circular) (the “**Rules of Procedure of the Board of Supervisors**”). The Rules of Procedure of the Board of Supervisors will take effect and be implemented after being approved by the Shareholders at the Extraordinary General Meeting.

### 3. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 28 July 2023 in relation to the proposed amendments to the Articles of Association. The second meeting of the eighth session of the Board was convened on 19 July 2023 by way of circulation of written resolutions by all members of the Board, the Board considered and approved, among other things, the resolution in relation to the proposed amendments to the Articles of Association.

On 17 February 2023, the State Council issued the Decision, which includes the repeal of Special Regulations on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (《國務院關於股份有限公司境外募集股份及上市的特別規定》) issued by the State Council on 4 August 1994. On the same date, the CSRC issued the Trial Measures and relevant guidelines, which includes the repeal of the Notice on the Implementation of the Mandatory Provisions for Companies Listing Overseas (《關於執行〈到境外上市公司章程必備條款〉的通知》). The Decision and the Trial Measures have been effective since 31 March 2023 (the “**PRC Regulation Changes**”). From the effective date of the Decision and the Trial Measures, PRC issuers shall formulate their articles of association with reference to the Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》) instead of the Mandatory Provisions. In view of the above PRC Regulation Changes, the Stock Exchange also released the Consultation Paper on 24 February 2023, stipulating the consequential amendments to the GEM Listing Rules (the “**GEM Listing Rules Amendments**”). On 21 July 2023, the Stock Exchange published conclusions to the Consultation Paper on the GEM Listing Rules Amendments, which has come into effect on 1 August 2023. In particular, the Stock Exchange made consequential rule amendments to (a) remove the class meeting and related requirements for the issue of new shares by PRC issuers; (b) repeal Appendix 11C to the GEM Listing Rules, which requires PRC issuers’ articles of association to include the Mandatory Provisions and other ancillary requirements; (c) amend the GEM Listing Rules in Chapters 12 and 25 to reflect the CSRC record filing regime; (d) remove the arbitration clause for disputes involving H shareholders as required under the Mandatory Provisions; and (e) modify the other GEM Listing Rules that address issues arising from domestic shares and H shares being treated as different classes. Accordingly, the Company proposes to amend its existing Articles of Association to comply with the requirements of the GEM Listing Rules and the applicable laws and regulations of the PRC.

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## LETTER FROM THE BOARD

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The proposed amendments to the Articles of Association are set out in Appendix IV to this circular. The Articles of Association are written in Chinese. The English version is an unofficial translation of its Chinese version and is for reference only. In case of any discrepancies, the Chinese version shall prevail.

According to the Articles of Association and the relevant laws and regulations, the proposed amendments to the Articles of Association (the “**Articles Amendments**”) will take effect subject to the approval of the Shareholders at each of the Meetings by way of special resolution. A special resolution in relation to the Articles Amendments will be proposed at each of the Meetings for the approval by the Shareholders.

Save and except for the Articles Amendments, the contents of other chapters and articles of the Articles of Association shall remain unchanged. The numbering of the articles in the original Articles shall be adjusted accordingly, and references to the numbering of relevant articles in the Articles shall be changed accordingly.

The legal advisers to the Company as to the PRC law and Hong Kong law have confirmed that the Articles Amendments conform with the requirements under the PRC laws and the GEM Listing Rules, respectively. The Company, on the other hand, has confirmed that there is nothing unusual about the Articles Amendments for a PRC company whose H shares are listed on the Stock Exchange.

#### 4. PROPOSED APPOINTMENT OF DIRECTOR

Reference is made to the announcement of the Company dated 24 July 2023 in relation to the proposed change of a non-executive Director and a vice chairman of the Company.

In accordance with the relevant requirements of the Company Law and the Articles of Association, Mr. Yang Peng (楊鵬) (“**Mr. Yang**”) was recommended by Institute of Biophysics of the Chinese Academy of Sciences (中國科學院生物物理研究所), a substantial Shareholder, and has been nominated by the nomination committee of the Company as a candidate for a non-executive Director and a vice chairman of the Company, to replace Dr. Sun Zhe (孫哲) (“**Dr. Sun**”), an existing non-executive Director and vice chairman of the Company. This nomination will be proposed at the Extraordinary General Meeting for consideration. If appointed, Mr. Yang’s term of office will be from the date of approval at the Extraordinary General Meeting until the expiration of the current session of the Board. Dr. Sun will cease to perform his duties as a non-executive Director and a vice chairman of the Company upon the conclusion of the Extraordinary General Meeting should the resolution in relation to the proposed appointment of Mr. Yang be passed by the Shareholders.

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## LETTER FROM THE BOARD

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Ordinary resolution will be proposed at the Extraordinary General Meeting to appoint Mr. Yang as a non-executive Director. Biographical details of the proposed Director to be appointed are set out in Appendix V to this circular.

### 5. CLASS MEETINGS AND EXTRAORDINARY GENERAL MEETING

The Class Meetings will be held to consider and, if thought fit, pass resolutions to approve, among other things, the proposed amendments to the Articles.

The Extraordinary General Meeting will be held to consider and, if thought fit, pass resolutions to approve, among other things, (i) the adoption of the Rules of Procedure of the Shareholders' General Meetings, the Rules of Procedure of the Board of Directors and the Rules of Procedure of the Board of Supervisors; (ii) the proposed amendments to the Articles; and (iii) the proposed appointment of Director.

Notices convening the H Shareholders Class Meeting, the Domestic Shareholders Class Meeting and the Extraordinary General Meeting, to be held on Tuesday, 26 September 2023 at 10:00 a.m., 10:30 a.m. and 11:00 a.m., respectively, at No. 27 Chaoqian Road, Science and Technology Industrial Park, Changping District, Beijing, the PRC are set out on pages 135 to 141 to this circular. The reply slips and forms of proxy of the Class Meetings and the Extraordinary General Meeting are enclosed hereto and such reply slips and forms of proxy are also published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.zhongsheng.com.cn](http://www.zhongsheng.com.cn)). Whether or not you intend to attend the Class Meetings and the Extraordinary General Meeting, you are requested to complete and return (i) the reply slips enclosed with the notices of the Class Meetings and the Extraordinary General Meeting in accordance with the instructions printed thereon not later than 4:30 p.m. on Tuesday, 5 September 2023; and (ii) the forms of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the Class Meetings and the Extraordinary General Meeting or any adjournment thereof (as the case may be). Completion and return of the forms of proxy will not preclude you from attending and voting in person at the Class Meetings and the Extraordinary General Meeting or any adjournment thereof (as the case may be) if you so wish, and in such event, such forms of proxy shall be deemed to be revoked.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, all resolutions will be put to vote by way of poll at the Class Meetings and the Extraordinary General Meeting. An announcement of the poll results of the Class Meetings and the Extraordinary General Meeting will be made by the Company after the Class Meetings and the Extraordinary General Meeting in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

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## LETTER FROM THE BOARD

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### 6. RECOMMENDATIONS

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

### 7. ADDITIONAL INFORMATION

Your attention is drawn to the additional information as set out in the appendices to this circular.

Yours faithfully,  
For and on behalf of the Board  
**Biosino Bio-Technology and Science Incorporation**  
**Wu Lebin**  
*Chairman*

**RULES OF PROCEDURE OF THE SHAREHOLDERS' GENERAL MEETING****Chapter 1 General Provisions**

**Article 1** In order to regulate the behavior of Biosino Bio-Technology and Science Incorporation (the "Company"), and ensure that a shareholders' general meeting exercises its powers by law, the Company formulates these rules of procedure in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), Securities Law of the People's Republic of China and other relevant laws, regulations, normative documents and the Articles of Association of Biosino Bio-Technology and Science Incorporation (hereinafter referred to as the "Articles of Association") in consideration of the Company's conditions.

**Article 2** These Rules shall apply to the shareholders' general meeting of the Company and shall be binding on the Company, all shareholders, authorized proxies of shareholders, directors, supervisors and senior management of the Company and other relevant persons attending or present at the meeting of the shareholders' general meeting.

**Article 3** The Company shall convene the shareholders' general meetings in strict accordance with the relevant provisions of the laws, regulations, the Articles of Association and these Rules to ensure the shareholders can exercise their rights according to the law.

**Article 4** The Board of Directors of the Company shall strictly comply with the Company Law and other relevant laws, regulations and regulatory documents, as well as the provisions of the Articles of Association and these Rules regarding the convening of shareholders' general meetings, and perform its duties with due diligence and shall organize the shareholders' general meetings in a serious and timely manner.

All the Directors of the Company shall be diligent and responsible to ensure the normal convening of a shareholders' general meeting and lawful exercise of functions and powers.

**Article 5** The Secretary of the Board of Directors is responsible for the implementation of all preparatory and organizational work for the convening of the shareholders' general meeting.

**Chapter 2 General Provisions of Shareholders' General Meeting**

**Article 6** The shareholders' general meeting is the authority of the Company. It shall exercise its authority within the scope of the provisions of the Company Law, the Articles of Association and these Rules, and shall not interfere with the shareholders' disposition of their own rights.

**Article 7** The shareholders' general meeting shall consist of all the shareholders of the Company. When the Company holds a shareholders' general meeting, distributes dividends, liquidates and engages in other acts requiring confirmation of shareholdings, the Board of Directors or the convener of the shareholders' general meeting decides that a certain date is the share register date, and shareholders who registered on the share register date are the shareholders of the Company are entitled to relevant rights and interests. The register of shareholders is sufficient evidence to prove that shareholders are holding shares in the Company.

**Article 8** The shareholders' general meeting shall exercise the following functions and powers according to law;

- (1) to decide on the Company's operation policies and investment plans;
- (2) to elect and replace directors, who are not employees' representatives, and to determine the emoluments of directors;
- (3) to elect and replace the supervisors who are not to be appointed among the employees' representatives and to decide on matters concerning the emolument of supervisors;
- (4) to consider and approve reports of the Board of Directors;
- (5) to consider and approve reports of the Board of Supervisors;
- (6) to consider and approve the Company's annual financial budget and final accounts;
- (7) to consider and approve the Company's profit distribution proposals and loss recovery proposals;
- (8) to resolve the increase or reduction of the Company's registered capital;
- (9) to resolve matters such as merger, division, dissolution and liquidation of the Company;
- (10) to resolve the issuance of debentures by the Company;
- (11) to resolve the appointment, removal or non-renewal of the services of an accounting firm for the Company;
- (12) to amend the Articles of Association;

- (13) to consider and approve the change of use of proceeds;
- (14) to consider and approve equity incentive plans and employee stock ownership plans;
- (15) to consider and approve the Company's purchase or sale of significant assets exceeding thirty percent of the Company's latest audited total assets within one year;
- (16) to consider and approve matters of guarantee which are required by the Articles of Association to be resolved by the shareholders' general meeting;
- (17) other matters which are required by laws, administrative regulations and the Articles of Association to be resolved by the shareholders' general meeting.

**Article 9** The following external guarantees of the Company shall be submitted to the shareholders' general meeting for consideration and approval after being considered and approved by the Board of Directors:

- (1) any guarantee provided after the total amount of the external guarantees provided by the Company and its controlling subsidiaries exceeds fifty percent of the audited net assets of the Company for the most recent period;
- (2) any guarantee provided after the total amount of the external guarantees provided by the Company exceeds thirty percent of the audited net assets of the Company for the most recent period;
- (3) any guarantee provided after the total amount of the guarantees provided by the Company within one year exceeds thirty percent of the audited net assets of the Company for the most recent period;
- (4) any guarantee provided for security targets with gearing ratios exceeding seventy percent;
- (5) a single guarantee amounting to more than ten percent of the most recent audited net assets;
- (6) any guarantee provided to shareholders, de facto controller and their related parties.

When a shareholders' general meeting considers a proposal to provide a guarantee for a shareholder, de facto controller and its related parties, such shareholder or a shareholder at the disposal of such de facto controller shall not participate in such vote, except in matters involving the guarantee in paragraph (3) of the preceding paragraph, which shall be approved by more than half of the votes held by the other shareholders present at the shareholders' general meeting.

**Article 10** Shareholders' general meetings can be annual general meetings or extraordinary general meetings. The annual general meeting shall be convened once in every financial year and shall take place within six months of the end of the previous accounting year. Extraordinary general meetings are held from time to time.

The Company shall convene an extraordinary general meeting within two months after the occurrence of any one of the following circumstances:

- (1) where the number of directors is less than the number stipulated in the Company Law or is not more than two-thirds of the number required by the Articles of Association;
- (2) where the unrecovered losses of the Company amount to one-third of its total paid-in share capital;
- (3) where shareholder(s) singly or jointly holding 10% or more of the Company's issued and outstanding voting shares has/have requested in writing for the convening of an extraordinary general meeting;
- (4) where the Board of Directors considers it necessary;
- (5) the Board of Supervisors proposes to call for such a meeting;
- (6) other circumstances as stipulated by laws, administrative regulations, departmental rules and regulations or the Articles of Association.

**Article 11** When the Company holds a shareholders' general meeting, a lawyer shall be engaged to present legal opinions on the following matters:

- (1) whether or not the procedures for convening and holding the meeting are in compliance with laws, administrative regulations, and the Articles of Association;
- (2) whether or not the qualifications of the officers present at the meeting, and of the convener are lawful and valid;



- (3) whether or not the voting procedures at the meeting and the voting results are lawful and valid;
- (4) legal opinions to be presented on other relevant matters at the request of the Company.

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

**Article 12** The Board of Directors shall convene the shareholders' general meeting on time in accordance with the laws, rules and regulations, the Articles of Incorporation and these Rules.

**Article 13** Independent directors shall have the right to propose to the Board of Directors to convene an extraordinary general meeting. Regarding the proposal requesting to convene an extraordinary general meeting by independent directors, the Board of Directors shall give a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within 10 days after receiving the proposal in accordance with the laws, administrative regulations and the Articles of Association.

If the Board of Directors agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be issued within 5 days after the date of the resolution of the Board of Directors. If the Board of Directors refuses to convene an extraordinary general meeting, an explanation in writing shall be made.

**Article 14** The Supervisory Committee shall have the right to propose to the Board of Directors to convene an extraordinary general meeting and such proposal shall be submitted in writing. The Board of Directors shall give a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within 10 days after receiving the proposal in accordance with the laws, administrative regulations and the Articles of Association.

If the Board of Directors agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be issued within 5 days after the date of the resolution of the Board of Directors and any changes to the original proposal contained in the notice shall be subject to the approval of the Supervisory Committee.

If the Board of Directors disagrees to convene the extraordinary general meeting or does not give any written reply within 10 days after receiving the proposal, the Board of Directors shall be deemed as failing to perform the duty of convening a general meeting. In such cases, the Supervisory Committee may convene and preside over the meeting.

**Article 15** Shareholders individually or jointly holding more than 10% of Shares of the Company are entitled to request the Board of Directors in writing to convene an extraordinary general meeting. The Board of Directors shall, in accordance with the requirements of laws and the Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the request.

If the Board of Directors agrees to convene the extraordinary general meeting, it shall issue a notice of convening the general meeting within 5 days after the date of the resolution of the Board of Directors. Any changes made to the original proposal in the notice shall be agreed by the relevant shareholders.

If the Board of Directors disagrees to convene the extraordinary general meeting or does not reply within 10 days upon receipt of the proposal, shareholders individually or jointly holding more than 10% of the Shares of the Company are entitled to request the Supervisory Committee in writing to convene an extraordinary general meeting.

If the Supervisory Committee agrees to convene the extraordinary general meeting, it shall issue a notice of convening the general meeting within 5 days upon receipt of the proposal. Any changes made to the original proposals in the notice shall be agreed upon by the relevant shareholders.

If the Supervisory Committee does not issue the notice of a general meeting within the prescribed period, it shall be deemed as the Supervisory Committee not convening and not holding the general meeting. Then the shareholders individually or jointly holding more than 10% of the Shares of the Company for more than 90 consecutive days are entitled to convene and hold the meeting by themselves.

Where the Supervisory Committee or shareholders decide to convene a general meeting by themselves, a written notice shall be submitted to the Board of Directors.

Before making an announcement on the resolution(s) of the general meeting, the shareholders convening the meeting shall hold not less than 10% of the Shares.

**Article 16** Where the Supervisory Committee or shareholders convene a general meeting by themselves, the Board of Directors and the secretary to the Board of Directors shall cooperate. The Board of Directors shall provide the register of shareholders on the shareholding record date. The convener shall not use the register of shareholders for purposes other than convening a general meeting.

**Article 17** Where the Supervisory Committee or shareholders convene and hold a general meeting by themselves, the expenses necessarily accrued therefrom shall be borne by the Company.

**Chapter 4 Proposal and Notice of Shareholders' General Meeting**

**Article 18** Proposals for shareholders' general meetings shall be submitted in writing or delivered to the Board of Directors, and the content of the proposals shall fall within the terms of reference of the shareholders' general meetings, have clear topics and specific resolutions, and comply with the relevant provisions of laws, regulations and the Articles of Association.

**Article 19** When a shareholders' general meeting is convened by the Company, the Board of Directors, the Supervisory Committee or shareholders individually or jointly holding 3% or more of the Shares of the Company are entitled to propose resolutions to the Company.

Shareholders individually or jointly holding 3% or more of the Shares of the Company may submit ad hoc proposals in writing to the convener of the shareholders' general meeting 10 days before the convening of the shareholders' general meeting. The convener shall issue a supplemental notice of the shareholders' general meeting within 2 days upon receipt of the proposals and announce the contents of the ad hoc proposals. The supplementary notice shall include the name of the shareholder making the provisional proposal, the percentage of shareholding and the content of the provisional proposal.

Except for circumstances provided in the above paragraph, the convener, after issuing the notice of the shareholders' general meeting, shall neither revise the proposals stated in the notice of shareholders' general meetings nor add new proposals.

If a notice of a shareholders' general meeting does not specify the proposed resolutions or does not comply with Article 18 herein, no voting for resolutions shall be carried out at the shareholders' general meeting.

**Article 20** The convener shall notify the shareholders by announcement 21 days prior to the annual general meeting, and the extraordinary general meeting will be notified to the shareholders 15 days prior to the meeting.

In calculating the starting period, the Company does not include the day of the meeting and the day of the notice.

**Article 21** The notice of the shareholders' general meeting includes the following:

- (1) the time, place and duration of the meeting;
- (2) the matters and proposals submitted to the meeting for consideration;
- (3) state in plain language that all shareholders are entitled to attend the shareholders' general meeting and may appoint a proxy in writing to attend and vote at the meeting, and that such proxy needs not be a shareholder of the Company;
- (4) the date of registration of shares of shareholders entitled to attend the shareholders' general meeting;
- (5) the name and phone number of the permanent contact person for the meeting.

The notice and supplementary notice of the shareholders' general meeting shall contain full and complete disclosure of all specifics of all proposals and all information or explanations necessary to enable shareholders to make a reasonable judgment on the matters to be discussed.

**Article 22** The date of registration of Shares shall be determined in the notice of the shareholders' general meeting. The interval between the share registration date and the date of the meeting shall not be more than seven business days. Once the share registration date is confirmed, it shall not be changed.

**Article 23** In the event that the election of directors and supervisors is to be discussed at a shareholders' general meeting, the notice of the shareholders' general meeting shall fully disclose the details of candidates for the directors and supervisors, and shall at least include the following particulars:

- (1) Personal information such as educational background, working experience, part-time jobs, etc.;
- (2) Whether the candidate is related to the Company, its controlling shareholder and de facto controllers;
- (3) to disclose the number of shares of the Company they hold;
- (4) whether or not they have been penalized by CSRC and other relevant departments, and disciplined by the stock exchange.

In addition to adopting the cumulative voting system to elect directors and supervisors, a single proposal on each of the candidates for directors and supervisors shall be submitted.

**Article 24** Once the notice of the shareholders' general meeting is issued, the meeting shall not be postponed or cancelled, and proposals contained in the notice shall not be withdrawn without proper reasons. In the event of postponement or cancellation, the convener shall make an announcement to state the reasons at least two working days prior to the original date of convening the meeting.

#### **Chapter 5 Holding of Shareholders' General Meeting**

**Article 25** The Company shall hold the shareholders' general meeting at the domicile of the Company or at such other place as designated by the notice of the shareholders' general meeting.

**Article 26** A meeting venue shall be set for the shareholders' general meeting, which shall be convened by way of on-site meetings. Under the premise of ensuring that the shareholders' general meeting is legal and effective, the Company shall facilitate the shareholders' participation in the meeting. A shareholder attending a shareholders' general meeting by the aforesaid means shall be deemed to have been present at the meeting.

**Article 27** The Board and any other convener shall take necessary steps to ensure the proper order of the shareholders' general meeting. Except for the shareholders (or their proxies) attending the meeting, directors, supervisors, secretary of the Board, senior management and persons invited by the Board, the Company has the right to refuse the admission of other persons according to law. The Company shall take steps to stop any act disturbing the shareholders' general meeting, seeking trouble or infringing upon the legitimate rights of shareholders, and shall report such act to relevant departments for investigation and treatment.

**Article 28** Shareholders may attend the shareholders' general meeting in person or appoint a proxy to attend and vote on their behalf. All shareholders registered on the share registration date or their proxies shall be entitled to attend the shareholders' general meeting and exercise their voting rights in accordance with the laws, regulations and the Articles of Association, which the Company and the convener shall not refuse for any reason.

Shareholders or their proxies attending the shareholders' general meeting shall strictly comply with the provisions of the Company Law and other relevant laws, regulations and regulatory documents as well as the Articles of Association and these Rules, consciously maintain the order of the meeting and shall not infringe the legitimate rights and interests of other shareholders.

**Article 29** If a shareholder entrusts another person to attend on his behalf, he shall appoint a proxy in writing. The proxy shall submit a power of attorney for shareholders to the Company and shall exercise the right to vote within the scope of the power of attorney. The power of attorney shall contain the following contents:

- (1) the name of the proxy;
- (2) whether the proxy has voting rights;
- (3) indication of for, against or abstain concerning each proposal to be resolved on the agenda of the general meeting;
- (4) whether the proxy has the right to vote on extempore motions that may be added to the agenda of the shareholders' general meeting and the specific instructions as to what vote to cast if he/she has such right to vote;
- (5) the date of signing of the instrument and term of validity;
- (6) the signature (or seal) of the principal. If the principal is a corporate shareholder, the seal of the corporation shall be affixed.

The proxy forms shall contain a statement that in the absence of specific instructions by the shareholder, whether the proxy may vote as he/she thinks fit.

**Article 30** If an individual shareholder attends the meeting in person, he/she shall present his/her identity card or other valid documents or certificates showing his/her identity and the shareholding certificate. If a proxy attends the meeting, he/she shall present his/her valid identity card, the shareholder's power of attorney and the aforementioned documents of the shareholder being represented.

Legal shareholders shall be represented at the meeting by the legal representative or the proxy entrusted by the legal representative. If the legal representative attends the meeting, he/she shall present his/her identity card and a valid certificate proving his/her legal representative status. If the proxy attends the meeting, the proxy shall present his/her identity card, a written power of attorney issued by the legal representative of the legal entity and the aforementioned documents of the legal representative being represented.

The unincorporated shareholders shall be represented at the meeting by the person in charge of the unincorporated organization or its proxy. If the person in charge of the unincorporated organization attends the meeting, he/she shall present his/her identity card and a valid certificate proving his/her qualification as the person in charge of the unincorporated organization. If the proxy attends the meeting, he/she shall present his/her identity card, a written power of attorney issued by the person in charge of the unincorporated organization in accordance with the law and the aforementioned documents of the person in charge of the unincorporated organization being represented.

If the proxy form is signed by another person authorized by the proxy, the power of attorney or other authorization document signed by the proxy shall be notarized. Both the notarized power of attorney or other authorization document and the proxy voting authorization form shall be available at the Company's residence or other place designated in the notice convening the meeting.

If the qualification of the principal or his proxy to attend the shareholders' general meeting is deemed invalid due to the unclear authorization of the principal or the relevant documents submitted by his proxy to prove the legal identity of the principal and the proxy relationship does not comply with the laws, regulations and the Articles of Association, the principal or his proxy shall bear the corresponding legal consequences.

**Article 31** A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or loss of capacity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given has occurred prior to the voting, provided that no notice in writing of such death, loss of capacity, revocation or transfer shall have been received by the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.

**Article 32** The register of the meeting of the persons attending the meeting shall be produced by the Company. The meeting register contains the names (or unit names), identity numbers, residence addresses, the number of shares held or represented with voting rights, the names (or unit names) of proxies and other matters of the persons attending the meeting.

**Article 33** The convener and the attorney engaged by the Company (if any) shall jointly verify the legitimacy of the shareholders' qualifications according to the Company's shareholder register and register the names of the shareholders and the number of shares they hold with voting rights. The registration of the meeting shall be terminated until the presiding officer announces the number of shareholders and proxies attending the meeting on site and the total number of shares with voting rights held by them.

**Article 34** When the shareholders' general meeting is held, all directors, supervisors and the secretary of the Board of Directors shall attend the meeting, and the manager and other senior management shall attend the meeting.

**Article 35** The shareholders' general meeting shall be presided over by the chairman of the Board of Directors. If the chairman is unable to perform his duties or does not perform his duties, the vice chairman (if the Company has two or more vice chairmen, the vice chairman jointly elected by more than half of the Directors shall preside) shall preside, and if the vice chairman is unable to perform his duties or does not perform his duties, a director jointly elected by more than half of the directors shall preside.

If a shareholders' general meeting is convened by the Supervisory Committee itself, the chairman of the Supervisory Committee shall preside over the meeting. If the chairman of the Supervisory Committee is unable to or fails to discharge his/her duty, the meeting shall be presided over by a supervisor elected by more than one-half of the supervisors.

If a shareholders' general meeting is convened by the shareholders themselves, the convener will nominate a representative to conduct the meeting.

If the presiding officer violates these Rules when a shareholders' general meeting is held so that the shareholders' general meeting cannot continue, the shareholders' general meeting may elect a person to act as the presiding officer and continue the meeting with the consent of a majority of the shareholders with voting rights present at the meeting.

If for any reason the shareholders are unable to elect a chairman, the attending shareholder holding the largest number of voting shares (whether in person or by proxy) shall preside over the meeting.

**Article 36** The presiding officer of the meeting may, if necessary, call upon the proposer to explain the proposal:

- (I) If the proposer is the Board of Directors, the chairman of the Board of Directors or other person delegated by the chairman of the Board of Directors shall give a description of the proposal;
- (II) If the proposer is the Supervisory Board or a shareholder who individually or collectively holds more than 3% of the total number of voting shares of the Company, the proposer or his legal representative or a legally valid authorized proxy of the shareholder shall make a proposal statement.



**Article 37** As presided over by the chairman of the meeting, matters and proposals listed in the agenda shall be deliberated in sequence item by item. When necessary, relevant proposals may be discussed together. As for contents listed in the agenda of the meeting, the chairman of the meeting may adopt the methods of first reporting, centralized deliberation, and cumulative voting according to actual circumstances, or may use the method of reporting, deliberating and voting item by item for complicated matters. Reasonable time shall be given to each matter at the general meeting.

**Article 38** At the annual general meeting, the Board of Directors and the Supervisory Committee shall make a report on their work in the past year to the general meeting. Each independent Director shall also make a report on the performance of his or her duties.

**Article 39** The Directors, Supervisors and senior management shall make explanations and interpretations on the inquiries of the shareholders, except for those involving the Company's commercial secrets which cannot be disclosed at the shareholders' general meeting. Each independent Director shall also make a report on the performance of his or her duties.

**Article 40** Shareholders requesting to speak at a shareholders' general meeting shall obtain permission from the presiding officer of the meeting and shall speak in the order in which they request to speak (or in the order of the number of shareholdings or proxy shareholdings held by the shareholders or their proxies if they request to speak at the same time).

When a shareholder requests to speak, he or she shall not interrupt the report of the meeting reporter or the speech of other shareholders. A shareholder speaking shall first report his or her name or the shareholder he or she represents and the number of shares held. The length and number of times a shareholder may speak shall be determined on a case-by-case basis by the presiding officer of the meeting.

**Article 41** The shareholders' general meeting shall have minutes, which shall be taken by the secretary of the Board. The minutes of the meeting shall record the following contents:

- (1) the time, place, agenda and name of the convener of the meeting;
- (2) the names of the presiding officer and the directors, supervisors, managers and other senior management present or attending the meeting;
- (3) the number of shareholders and proxies attending the meeting, the total number of shares with voting rights and the proportion of the total number of shares of the company;

- (4) consideration of each proposal, speaking points and voting results;
- (5) shareholders' queries or suggestions and the corresponding answers or explanations;
- (6) the names of the attorney (if any) and the tellers and scrutineers;
- (7) Articles of Association shall be included in the minutes of the meeting of other content.

**Article 42** The convener shall ensure that the content of the minutes of the meeting is true, accurate and complete. The directors, supervisors, secretary of the Board of Directors, the convener or his representative and the presiding officer attending the meeting shall sign the minutes of the meeting and ensure that the contents of the minutes are true, accurate and complete. The minutes of the meeting shall be kept together with the signature book of the shareholders present on site and the valid information on proxy attendance and voting, which shall be kept for a period of ten years.

**Article 43** The convener shall ensure that the shareholders' general meeting is held continuously until a final resolution is formed. If the meeting is suspended or no resolution can be made due to force majeure and other special reasons, the necessary measures shall be taken to resume the meeting as soon as possible or to terminate this shareholders' meeting directly.

#### **Chapter 6 Voting and Resolutions of the Shareholders' General Meeting**

**Article 44** Resolutions of the shareholders' general meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution at a shareholders' general meeting shall be passed by a majority of the votes held by the shareholders (including shareholders' proxies) present at the shareholders' general meeting.

A special resolution at a shareholders' general meeting shall be passed by at least two-thirds of the votes held by shareholders (including shareholders' proxies) present at the shareholders' general meeting.

**Article 45** The following matters shall be resolved by an ordinary resolution at a shareholders' general meeting:

- (1) work reports of the Board of Directors and the Supervisory Committee;

- (2) profit distribution proposals and loss recovery proposals of the Board of Directors;
- (3) appointment and removal of members of the Board of Directors and Supervisors, their emolument and manner of payment;
- (4) removal of any director before the expiration of his term of office (including managing directors or other executive directors);
- (5) annual preliminary and final budgets, and annual reports of the Company; and
- (6) matters other than those required by laws and administrative regulations or by the Articles of Association to be adopted by special resolution.

**Article 46** The following matters shall be resolved by a special resolution at a general meeting:

- (1) increase or reduction of the Company's share capital and the issuance of shares of any class, warrants and other similar securities;
- (2) the issue of debentures of the Company;
- (3) the division, merger, dissolution and liquidation of the Company, change of corporate form and major acquisitions and disposals;
- (4) amendments to the Articles of Association;
- (5) equity incentive plan;
- (6) the Company's purchase or sale of significant assets or guarantees in excess of thirty percent of the Company's latest audited total assets within one year;
- (7) any other matters required by laws, administrative regulations or these Articles of Association, as well as any other matters that the general meeting of, by ordinary resolution, deems to have a significant impact on the Company and require a special resolution.

Shareholders (including shareholders' proxies) exercise their voting rights in the number of voting shares they represent, with each share entitled to one vote.

The shares of the Company held by the Company do not have voting rights, and such shares are not counted as part of the total number of shares with voting rights present at the general meeting.

**Article 47** The presiding officer shall announce whether the number of shareholders and proxies attending the meeting on site and the total number of shares holding voting rights meet the statutory requirements before voting, and the number of shareholders and proxies attending the meeting on site and the total number of shares holding voting rights shall be subject to the registration of the meeting.

**Article 48** When the shareholders' general meeting considers matters related to connected transactions, the connected shareholders shall recuse themselves from voting and the number of voting shares represented by them shall not be counted as the total number of valid votes.

Prior to the consideration of the connected transaction at the shareholders' general meeting, the Company shall determine the scope of the connected shareholders in accordance with the relevant laws and regulations of the Country. When the meeting considers the connected transaction matters, the connected shareholders (including authorized proxies) may attend the meeting and clarify their views to the shareholders present in accordance with the meeting procedures, but shall recuse themselves from voting when voting.

In the event that the shareholders' general meeting resolves matters related to connected transactions, the connected shareholders shall recuse themselves from voting. If the connected shareholders do not recuse themselves from voting, other shareholders attending the meeting shall have the right to request the connected shareholders to recuse themselves from voting. After the recusal of the connected shareholder, the other shareholders shall vote according to their voting rights and adopt the corresponding resolution in accordance with the provisions of these Rules. The recusal and voting procedures of the connected shareholders shall be notified by the presiding officer of the shareholders' general meeting and recorded in the minutes of the meeting.

A resolution on a connected transaction at a shareholders' general meeting shall be valid only if it is passed by at least one-half of the voting rights held by the non-affiliated shareholders present at the shareholders' general meeting. However, if the connected transaction involves matters requiring special resolution, the resolution of the shareholders' meeting shall be valid only if it is passed by at least two-thirds of the voting rights held by the non-affiliated shareholders present at the shareholders' general meeting.

**Article 49** Except in special circumstances such as when the Company is in crisis, the Company shall not enter into a contract with a person other than the directors, supervisors, managers and other senior management to place the management of all or important business of the Company under the responsibility of such person unless approved by a special resolution of the shareholders' general meeting.

**Article 50** When voting on the election of more than two directors and supervisors at the same shareholders' general meeting, the cumulative voting system may be implemented.

The cumulative voting system referred to in the preceding paragraph means that in the election of directors or supervisors at the shareholders' general meeting, each share shall have the same number of votes as the number of directors or supervisors to be elected, and the voting rights owned by shareholders may be used in a centralized manner. The board of directors shall announce to the shareholders the resumes and basic information of the candidates for directors and supervisors.

The implementation rules of the cumulative voting system shall be as follows: when the cumulative voting system is adopted for the election of directors or supervisors, each shareholder shall have one ballot. Such ballot shall set forth the number of shares held by such shareholder, the number of directors or supervisors to be elected, and the names of all candidates, and shall be sufficient to satisfy the functions of the cumulative voting system. Shareholders are free to allocate their voting rights among the candidates for directors (or supervisors), either by dividing their votes among several persons or by concentrating their votes on one person, and the number of votes cast for a single candidate for director (or supervisor) may be higher or lower than the number of voting shares held by them, and need not be an integral multiple of such number of shares, provided that the cumulative number of votes cast for all candidates for director (or supervisor) does not exceed the total number of effective voting rights held by them. After the conclusion of the voting, the elected directors (or supervisors) shall be selected in descending order among the candidates who have received votes, based on the number of votes received by each of the candidates for director (or supervisor) and limited to the number of directors (or supervisors) to be elected.

If the shareholders' general meeting elects directors by cumulative voting, the voting of independent directors and non-independent directors shall be conducted separately.

**Article 51** Except for the cumulative voting system, the shareholders' general meeting shall vote on all proposals one by one, and if there are different proposals on the same matter, they shall be voted in chronological order in which the proposals are made. Except for special reasons such as force majeure that causes the shareholders' general meeting to be suspended or unable to make resolutions, the shareholders' general meeting will not be allowed to set aside or not vote on the proposals.

**Article 52** When a proposal is considered at a shareholders' general meeting, no amendment shall be made to the proposal, otherwise, the relevant change shall be regarded as a new proposal and cannot be voted on at this shareholders' general meeting.

**Article 53** The same voting right can only choose one on-site or other voting methods. In case of repeated voting on the same voting right, the result of the first vote shall prevail.

**Article 54** The shareholders' general meeting shall be held by ballot.

**Article 55** Shareholders attending the shareholders' general meeting shall express one of the following opinions on the proposal submitted for voting: for, against or abstain. Except when the securities registration and settlement institution, as the notional holder of shares traded under the interconnection mechanism of the Mainland and Hong Kong stock markets, makes the declaration in accordance with the intention of the actual holder.

Votes that are not filled in, incorrectly filled in, or not legible, or votes that are not cast are considered to be abstentions by the voter, and the result of the vote on the number of shares held by the voter shall be counted as "abstained".

Before voting takes place on a proposal at a shareholders' general meeting, two shareholders' representatives shall be elected to participate in vote counting and scrutinizing. In the event that a shareholder has an interest in a matter to be considered, the relevant shareholder and his proxy shall not participate in the vote counting and scrutinizing.

When voting takes place on a proposal at a shareholders' general meeting, lawyers and representatives of shareholders and Supervisors shall be jointly responsible for vote counting and scrutinizing, and shall announce the voting results on the spot. The voting results of resolutions shall be recorded in the minutes.

**Article 56** If the presiding officer has any doubt about the result of the resolution submitted for voting, he/she may organize a vote count on the votes cast. If the presiding officer does not conduct a vote count, shareholders or shareholders' proxies present at the meeting who disagree with the announcement of the result by the presiding officer shall have the right to request a vote count immediately after the announcement of the voting result, and the presiding officer shall organize a vote count immediately. The result of the vote counting shall be recorded in the minutes of the meeting.

**Article 57** If the general meeting adopts the relevant proposals for the election of directors and supervisors, unless otherwise expressly provided in the resolution of the general meeting, the new directors and supervisors shall take office at the time when the resolution of the shareholders' general meeting adopts the relevant proposals for the election.

**Article 58** If the shareholders' general meeting adopts the proposal on cash dividend, share bonus or capitalization of capital reserve, the Company will implement the specific plan within two months after the shareholders' general meeting.

**Article 59** If a shareholder proposes to inspect or request the minutes of the shareholders' general meeting, he or she shall provide the Company with written documents proving the type of shares held by him or her and the number of shares held by him or her, and the Company shall provide the same upon the request of the shareholder after verifying his or her identity.

**Article 60** Where the contents of resolutions of shareholders' general meetings violate laws and administrative regulations, shareholders shall have the right to request the People's Court to hold such resolutions of meetings invalid.

If the convening procedure or voting method of the shareholders' general meeting violates laws, administrative regulations or the Articles of Association, or the content of the resolution violates the Articles of Association, the shareholders shall have the right to request the People's Court to revoke such resolution of the shareholders' general meeting within sixty days from the date of the resolution.

### **Chapter 7 Supplementary Provisions**

**Article 61** The terms "above" and "within", "before" as mentioned in these Rules are inclusive while "over", "less than" and "more than" are exclusive.

**Article 62** Should there be discrepancies between any matters uncovered in these Rules, the relevant state laws, regulations, normative documents and the provisions of the Articles of Association shall prevail. If these Rules are in conflict with the laws, regulations, normative documents promulgated by the state in the future or the Articles of Association amended by legal procedures, they shall be carried out in accordance with the relevant state laws, regulations, rules, normative documents and the Articles of Association, and shall be amended in a timely manner.

**Article 63** These Rules shall be construed by the Board.

**Article 64** These Rules are annexes to the Articles of Association of the Company and shall take effect after consideration and adoption at the shareholders' general meeting of the Company.

**RULES OF PROCEDURE OF THE BOARD OF DIRECTORS****Chapter 1 General Provisions**

**Article 1** In order to improve the corporate governance structure of Biosino Bio-Technology and Science Incorporation (the “Company”), further regulate the discussion methods and decision-making procedures of the Board of Directors, facilitate the directors and the Board of Directors to effectively perform their duties and improve the standard operation and scientific decision-making level of the Board, the Company formulates these rules of procedure in accordance with the Company Law of the People’s Republic of China (“Company Law”) and other relevant laws, regulations, regulatory documents and the Articles of Association of Biosino Bio-Technology and Science Incorporation (“Articles of Association”) in consideration of the Company’s conditions.

**Article 2** The Board of Directors is a standing body for making business decisions and is accountable to the shareholders’ general meeting. The Board of Directors performs its duties in compliance with the provisions of the Company Law, the Articles of Association and other relevant laws, regulations and regulatory documents.

**Chapter 2 Composition and Powers of the Board**

**Article 3** The Board consists of 9 directors, including independent directors accounting for no less than 1/3 of the quorum. The Board of Directors shall have a chairman and 2 vice chairmen.

**Article 4** Directors shall be elected at the general meeting each for a term of three years. At the expiry of a director’s term, the term is renewable upon re-election. The chairman and vice chairmen of the Board of Directors are elected and removed by a majority vote of all the directors.

**Article 5** The Board of Directors shall be accountable to the shareholders’ general meeting and shall exercise the following functions and powers:

- (1) to convene shareholders’ general meetings and to report on its work to the general meeting;
- (2) to implement resolutions of the shareholders’ general meeting;
- (3) to decide on the Company’s operating plans, investment and financing proposal;
- (4) to formulate the Company’s annual financial budget and final accounts;
- (5) to formulate the Company’s profit distribution proposals and loss recovery proposal;



- (6) to formulate the Company's proposals for the increase or reduction of the registered capital, or for the issuance of the Company's debentures and listing plan;
- (7) to draw up the Company's material acquisition and disposal proposals and plans for the merger, division, dissolution or liquidation of the Company and change of corporate form;
- (8) to decide on matters such as foreign investment, acquisition and sale of assets, pledge of assets, external guarantee matters, entrusted financial management, connected transactions and external donations within the authorization of the general meeting;
- (9) to decide on the Company's internal management structure;
- (10) to appoint or dismiss the manager of the Company according to nominations of the Board of Directors, to appoint or dismiss the deputy manager and financial controller of the Company according to nominations of the manager of the Company and to determine their remuneration;
- (11) to set up the basic management system of the Company, including the financial management and human resources management systems;
- (12) to formulate proposals for any amendment of the Company's Articles of Association;
- (13) to manage corporate disclosure matters;
- (14) to propose to the shareholders' general meeting to appoint or replace the accounting firm performing the audit of the Company;
- (15) to receive reports on the work of the Company manager and check the manager's work;
- (16) to exercise such other authorities as conferred by laws and regulations and under the Articles of Association.

The Board of Directors shall exercise the above-mentioned authority by convening a meeting of the Board of Directors and shall form a resolution of the Board of Directors before it can be implemented. Except as otherwise provided by laws, regulations, rules and regulations and the Articles of Association, resolutions made by the Board of Directors must be passed by a majority of all directors, and matters exceeding the scope of authorization of the shareholders' general meeting shall be submitted to the shareholders' general meeting for consideration.

**Article 6** The Board of Directors shall make a statement to the shareholders' general meeting regarding the non-standard audit report issued by the certified public accountant on the Company's financial report.

**Article 7** The Board of Directors shall determine the authority of foreign investment, acquisition and sale of assets, pledge of assets, external guarantee matters, entrusted financial management and connected transactions, and establish strict review and decision-making procedures. Major investment projects shall be evaluated by relevant experts and professionals and reported to the shareholders' general meeting for approval.

**Article 8** The external guarantees incurred by the Company shall be submitted to the Board of Directors for consideration and approval. If the guarantees meet the criteria stipulated in the Articles of Association for consideration by the shareholders' general meeting, they are required to be submitted to the shareholders' general meeting for consideration and approval after being considered and approved by the Board of Directors.

For guarantee matters within the authority of the Board of Directors, in addition to the approval of a majority of all Directors, the approval of at least two-thirds of the directors present at the Board of Directors' meeting shall also be required. The Company shall not provide external guarantees without the approval of the Board of Directors or the shareholders' general meeting.

**Article 9** Matters of transactions occurring in the Company that do not reach the authority of the Board of Directors to consider are approved by the chairman.

**Article 10** The Chairman of the Board of Directors shall exercise the following functions and powers:

- (1) to preside over shareholders' general meetings and convene and preside over Board meetings;
- (2) to review the implementation of resolutions passed by the Board of Directors;
- (3) to exercise other functions and powers granted by the Board of Directors.

**Article 11** The vice chairmen of the Company shall assist the chairman of the board, and if the chairman of the board is unable to perform his duties or does not perform his duties, the vice chairman shall perform his duties (if the Company has two or more vice chairmen, the vice chairman jointly elected by more than half of the directors shall perform his duties), and if the vice chairman is unable to perform his duties or does not perform his duties, more than half of the directors shall jointly elect a director to perform his duties.

**Chapter 3 Convening of the Meetings of the Board**

**Article 12** Board meetings shall be in the form of either regular meetings or extraordinary meetings.

Meetings of the Board shall be convened by the chairman at least twice a year and held by the president of the Board of Directors. A written notice of the meeting of the Board shall be delivered to all directors and supervisors 10 days prior to the meeting.

**Article 13** Before issuing a notice to convene regular meetings of the Board, the office of the Board shall solicit the views of all directors adequately to form an initial meeting proposal to be submitted to the chairman for preparation.

In preparing proposals, the chairman shall, if necessary, seek the views of the general manager and other senior management members.

**Article 14** Shareholders representing more than one-tenth of the voting rights and more than one-third of the directors and the Supervisory Board may propose to convene a provisional meeting of the Board of Directors. The chairman shall convene and chair a meeting of the Board of Directors within ten days after receiving the proposal.

**Article 15** If an extraordinary meeting is to be held in accordance with the proposals in the preceding article, a written proposal signed (or sealed) by the proposer shall be submitted through the secretary of the Board or to the chairman directly. Such written proposal shall contain the following items:

- (1) the name of the proposer;
- (2) the reasons or the objective matters such proposal is based on;
- (3) the time or time limit, place and manner of the proposed meeting;
- (4) the specific and detailed proposals;
- (5) the contact information of the proposer and the proposed date, etc.

The content of the proposal shall be the matters within the terms of reference of the Board as provided in the Articles of Association. Related materials should be submitted together with the proposal.

The secretary of the Board shall forward the written proposal and related materials to the chairman on the same date upon receipt. If the chairman believes that the proposal is not specific, detailed or related materials are not sufficient, the chairman may request the proposer's modification or supplement.

**Article 16** The meetings of the Board shall be convened and presided over by the chairman. In the event that the chairman of the Board cannot or fails to perform his duties, the vice chairman of the Board shall perform his duties on his behalf. In the event that the vice chairman of the Board cannot or fails to perform his duties, one director may be elected jointly by over half of the directors to perform the duties of the chairman of the Board on his behalf.

The Board of Directors shall notify all directors and supervisors in writing or by telephone three days prior to the convening of an extraordinary meeting of the Board of Directors. In case of urgent matters, the aforementioned time limit for notification may be waived.

**Article 17** The written notice of the meeting shall consist of at least the following:

- (1) the date and venue of the meeting;
- (2) the period of the meeting;
- (3) the causes and issues of discussion;
- (4) the date of issuance of notice.

**Article 18** After issuing the written notice of the regular meetings of the Board, if there is any need to change the time, venue or other matters of the meeting, or to add, change or cancel a meeting proposal, a written notice of such change should be issued 3 days prior to the date of the original meeting to explain the situation and the contents of the new proposal and related materials. If the notice is less than 3 days, the meeting shall be postponed accordingly or be convened as scheduled with the approval from all the participating directors.

After issuing the notice of an extraordinary meeting of the Board, if there is any need to change the time, place or other matters of the meeting or to add, change, cancel a meeting proposal, a prior written consent of all the participating directors shall be obtained and well documented.

**Article 19** Meetings of the Board of Directors shall be held with the presence of a majority of the directors.

Supervisors may be present at the Board meetings. If the general manager and the secretary to the Board do not concurrently serve as directors, they shall also be present at the meeting. If the chairman of the meeting considers it necessary, he/she may notify other relevant persons to be present at the meeting.

**Article 20** The directors shall attend the meetings of the Board of Directors in person. If a director is unable to attend for any reason, he/she may appoint in writing another director to attend the Board Meeting on his/her behalf, and the power of attorney shall state:

- (1) the names of the principal and the proxy;
- (2) the brief comments of the principal on each proposal;
- (3) the scope of the principal's authority and instructions on the intention to vote on the proposal;
- (4) the effective period of the proxy;
- (5) the signature or seal of the principal and the date.

If another director is acted as a proxy and is entrusted to sign a written confirmation for periodic reports, special authorization shall be contained in the power of attorney.

The entrusted director shall submit the written power of attorney to the chairman of the meeting and state the entrusted attendance on the attendance book of the meeting.

The appointed director who attends the meeting shall exercise a director's duties as authorized. If a director fails to attend a meeting of the Board in person and fails to appoint a representative to attend the meeting, he shall be deemed to have waived his/her voting rights at the meeting.

**Article 21** Attendance of a meeting of the Board by proxies shall be in compliance with the following principles:

- (1) in considering the connected transactions, connected directors shall not entrust connected directors to attend the meeting on their behalf and the unconnected directors shall not accept such entrustment;

- (2) directors shall not grant full authorization to and entrust other directors to attend the meeting without explaining their views and voting intention on the proposal and such other directors shall not accept such full authorization and unclear entrustment.

**Article 22** A director who fails to attend two consecutive meetings of the Board of Directors in person or by proxy shall be deemed unable to perform his or her duties and the Board of Directors shall recommend to the general meeting that he or she be removed.

**Article 23** The Board meeting, in principle, is to be held physically on-site.

On the premise of ensuring the directors fully express their opinions, the Board meetings may, if necessary, be convened by voting via video, telephone, facsimile or e-mail with the consent of the convener (chairman of the meeting) or the proposer. The Board meetings may also be held by the on-site method and by other means at the same time.

If a meeting is not convened on site, the number of participating directors shall be calculated according to the directors on site as shown in the video, the directors expressing opinions at the teleconference, the valid votes actually received by facsimile or e-mail within the prescribed time limit, or the written confirmation letters of having attended the meeting as submitted by the directors afterward.

**Article 24** If more than one-half of the participating directors or two or more independent directors consider that the proposal is unclear or unspecific, or if they are unable to make a judgment on the matter due to other reasons such as insufficient meeting materials, they may jointly propose in writing to the Board of Directors to adjourn the meeting or postpone the consideration of the matter, and the presiding officer of the meeting shall adopt the proposal. The director proposing the adjournment of the meeting or the postponement of the consideration shall make clear requirements on the conditions to be met for the proposal to be submitted for consideration again.

**Article 25** The chairman of the meeting shall advise the directors attending the meeting to express clear opinions on each proposal.

Unless the unanimous consent of all directors attending the meeting is obtained, the meeting of the Board of Directors shall not vote on proposals not included in the notice of the meeting. The directors who are entrusted by other directors to attend the meeting on their behalf shall not vote on proposals not included in the notice of the meeting on behalf of such other directors unless it is specified in the proxy.

**Article 26** The directors shall read relevant meeting materials carefully and express their opinions independently and prudently on the basis of knowing the circumstances well.

**Article 27** The functional departments of the Company are obliged to provide information and materials to the Board of Directors for decision-making. The functional departments and relevant personnel who provide information and materials shall be responsible for the truthfulness, accuracy and completeness of the information that comes from within the Company and can be described objectively. The reliability of information and materials from outside the Company shall be evaluated before they are provided to the Board of Directors for decision-making reference and explained to the Board of Directors.

#### **Chapter 4 Voting at Board Meetings**

**Article 28** Resolutions of the Board of Directors shall be voted by a show of hands or by ballot, and each director shall have one vote.

The interim meeting of the Board of Directors may be conducted and resolutions made by written or correspondence voting and signed by the participating directors, on the premise that the directors are able to fully express their opinions.

**Article 29** After each proposal has been fully discussed, the presiding officer shall call for a vote of the directors present in due course.

The voting intention of the directors is divided into for, against or abstain. The directors attending the meeting shall choose one of the above intentions. If no choice is made or if more than two intentions are chosen at the same time, the presiding officer shall ask the Directors concerned to choose again. If he/she refuses to choose, he/she shall be deemed to have abstained from voting. Those who leave the meeting venue in the middle of the meeting and do not return without making a choice shall be deemed to have abstained from voting.

**Article 30** In any of the following circumstances, the directors shall abstain from voting on the relevant proposals:

- (1) circumstances in which directors should recuse themselves as stipulated in laws, regulations, normative documents and regulatory rules of the place of listing;
- (2) where the directors themselves consider that they shall abstain from voting;
- (3) where the Articles of Association provide that directors shall abstain from voting as a result of their connected relationship with the enterprises involved in the proposals.

Where any director is required to abstain from voting, the relevant meeting of the Board of Directors may be held when more than half of the uninterested directors attend the meeting, and the resolutions formed shall be passed by more than half of the uninterested directors. If the number of uninterested attending directors is less than 3, the relevant proposal shall not be voted on but shall be submitted to the shareholders' general meeting for deliberation.

**Article 31** The Board of Directors shall act in strict accordance with the authorizations by the general meeting and the Articles of Association and shall be forbidden to form resolutions by ultra vires.

**Article 32** Where a meeting of the Board of Directors is required to make a resolution on the distribution of profits and capitalization of capital reserves of the Company, but the CPA has not yet issued an official audit report, the meeting shall first make a resolution based on the draft audit report provided by the CPA (all financial data other than those involving the distribution of profits and capitalization of capital reserves have been determined), and then make a resolution on the relevant matters after the CPA has issued an official audit report.

**Article 33** After the completion of voting by the participating directors, the secretary of the Board of Directors shall promptly collect the votes of the directors and count them under the supervision of a supervisor.

If the meeting is held on-site, the presiding officer shall announce the statistical results on the spot. In other cases, the presiding officer shall request the secretary of the Board of Directors to notify the directors of the voting results on the next business day after the expiration of the prescribed voting time limit.

If a Director vote after the presiding officer announces the voting result or after the expiration of the prescribed voting time limit, his or her vote will not be counted.

**Article 34** In case of contradiction in content and meaning of different resolutions, the resolution with the later formation time shall prevail.

**Article 35** If a proposal is not approved, the Board of Directors' meeting shall not consider another proposal with the same content within one month, provided that the relevant conditions and factors have not changed significantly.

**Article 36** The chairman shall supervise the implementation of the resolutions of the Board of Directors, check the implementation of the resolutions, and inform the implementation of the resolutions that have been formed at subsequent meetings of the Board of Directors.



**Chapter 5 Records and Retention of Board Meeting**

**Article 37** The Board of Directors shall make minutes of the decisions on the items discussed at the meeting, and the minutes shall include the following:

- (1) the date and place of the meeting and the name of the convener;
- (2) the names of the directors present and the names of the directors (proxies) appointed by others to attend the board meeting;
- (3) the agenda of the meeting;
- (4) the highlights of directors' speeches;
- (5) the manner of voting and the results of each resolution (the voting results shall contain the number of votes in for, against or abstain).

**Article 38** The participating directors shall confirm the minutes of the meeting and the minutes of resolution by signature on behalf of themselves and those directors who have entrusted them to attend the meeting as their representatives. The director may explain in writing when signing, for any dissenting opinion on the minutes of the meeting or the minutes of resolution.

In the event that the director neither confirms by signature according to the preceding paragraph nor explains his dissenting opinion in writing, he shall be regarded as being in full agreement with the contents of the minutes of the meeting and the minutes of resolution.

**Article 39** Directors shall be responsible for the resolutions of the Board of Directors. If a resolution of the Board of Directors violates the laws, administrative regulations or the Articles of Association and causes the Company to suffer serious losses, the directors who participated in the resolution shall be liable to the Company for compensation; provided, however, that if it is proved that he or she has expressed dissent at the time of voting and recorded it in the minutes of the meeting, such director shall be exempted from liability.

**Article 40** The archives of the meetings of the Board of Directors, including the notice of meetings and meeting materials, the sign-in book of the meetings, the power of attorney for directors to attend on their behalf, the votes, the minutes of the meetings signed and confirmed by the participating directors, and the resolutions of the meetings shall be kept as the archives of the Company by the secretary of the Board of Directors for a period of not less than ten years.

**Article 41** The announcement of resolutions of the Board of Directors shall be handled by the secretary of the Board of Directors in accordance with the relevant provisions of laws, regulations and the Listing Rules of the Stock Exchange. Prior to the disclosure of the resolution announcement, the participating directors and persons present at the meeting, record and service personnel, etc. shall be obliged to keep the content of the resolution confidential.

### **Chapter 6 Supplementary Provisions**

**Article 42** The terms “above”, “within”, “before” as mentioned in these Rules are inclusive, while “over”, “less than”, “more than” are exclusive.

**Article 43** Any matters not covered by these Rules shall be carried out in accordance with the relevant state laws, regulations, normative documents and the provisions of the Articles of Association. If these Rules are in conflict with the laws, regulations, normative documents promulgated by the state in the future or the Articles of Association amended by legal procedures, they shall be carried out in accordance with the relevant state laws, regulations, rules, normative documents and the Articles of Incorporation, and shall be amended in a timely manner.

**Article 44** These Rules shall be construed by the Board.

**Article 45** These Rules are annexes to the Articles of Association of the Company and shall take effect after consideration and adoption at the shareholders’ general meeting of the Company.

**RULES OF PROCEDURE OF THE BOARD OF SUPERVISORS****Chapter 1 General Provisions**

**Article 1** In order to improve the corporate governance structure of Biosino Bio-Technology and Science Incorporation (the “Company”), regulate the discussion methods and decision-making procedures of the Supervisory Committee, facilitate the Supervisory Committee to effectively perform their duties and improve the standard operation and scientific decision-making level of the Supervisory Committee, the Company formulates these Rules of procedure in accordance with the Company Law of the People’s Republic of China (“Company Law”) and other relevant laws, regulations, regulatory documents and the Articles of Association of Biosino Bio-Technology and Science Incorporation (“Articles of Association”) in consideration of the Company’s conditions.

**Article 2** The Supervisory Committee is established in accordance with the Company Law and the Articles of Association and is accountable to the shareholders’ general meeting. It supervises the legality of the Company’s directors and senior management in performing their duties and protects the interests of shareholders, the Company and employees from infringement.

**Chapter 2 Composition and Duties of the Supervisory Committee**

**Article 3** The Supervisory Committee shall consist of three supervisors, and the proportion of employee representatives in the Supervisory Board shall not be less than one-third.

**Article 4** The Supervisory Committee shall have a chairman. The chairman of the Supervisory Board shall be a supervisor of the Company and shall be elected and dismissed by a majority of all supervisors.

**Article 5** The term of office of the supervisors shall be three years each. Supervisors who are representatives of shareholders shall be elected and dismissed by the shareholders’ general meeting, and those who are representatives of employees shall be elected and dismissed by the employees of the Company through the employees’ representative assembly, the employees’ meeting or other forms of democratic election. Supervisors may be re-elected for a second term.

**Article 6** The Supervisory Committee shall exercise the following duties and powers:

- (1) to review the Company’s financial position;
- (2) to supervise the conduct of directors, managers and other senior management personnel in the execution of their duties for the Company and proposing the removal of directors and senior management personnel who violate laws, administrative regulations, the Articles of Association or resolutions of the general meeting;

- (3) to demand the directors, managers and other senior management personnel of the Company to rectify their error if they have acted in a harmful manner to the Company's interest;
- (4) to review and provide written audit opinions on the periodic reports of the Company prepared by the Board of Directors;
- (5) to check the financial reports, business reports and profit distribution proposals to be submitted to the shareholders' general meeting by the Board of Directors, and if doubts are found, the Company may appoint a certified public accountant or a certified auditor to assist in the review;
- (6) to propose the convening of an extraordinary general meeting and convening and presiding over a general meeting when the Board of Directors does not perform the duties of convening and presiding over a general meeting as stipulated in the Company Law;
- (7) to submit proposals to the shareholders' general meeting;
- (8) to represent the Company in dealings with directors and senior management or suing directors and senior management;
- (9) other powers and functions as stipulated in the Articles of Association.

Supervisors may attend the meetings of the Board of Directors.

**Article 7** The chairman of the Supervisory Committee convenes and presides over the meetings of the Supervisory Committee. If the chairman of the Supervisory Committee is unable to perform his duties or does not perform his duties, more than half of the supervisors shall jointly elect a supervisor to convene and preside over the meetings.

### **Chapter 3 Convening of the Meeting of the Supervisory Committee**

**Article 8** The meetings of the Supervisory Committee are divided into regular meetings and extraordinary meetings.

The Supervisory Committee shall hold regular meetings at least once every six months.

**Article 9** The convener of the Supervisory Committee shall convene an interim meeting of the Supervisory Committee within ten days if one of the following circumstances exists

- (1) when the supervisor proposes to convene;
- (2) when a resolution is adopted at a shareholders' general meeting or a meeting of the Board of Directors that violates the law, the Articles of Association, a resolution at a shareholders' general meeting of the Company and other relevant provisions;
- (3) misconduct of directors and senior management may cause significant damage to the Company or create bad influence in the securities market;
- (4) when the Company, its directors, supervisors and senior management are sued by shareholders;
- (5) other circumstances specified in the Articles of Association.

**Article 10** If a supervisor proposes to convene an interim meeting of the Supervisory Committee, he or she shall submit a written proposal signed by the proposed supervisor directly to the chairman of the Supervisory Committee. The written proposal shall contain the following matters:

- (1) the name of the proposing supervisor;
- (2) the reason or objective circumstance for the proposal;
- (3) the time or time limit, venue or form of the meeting proposed;
- (4) the well-defined and specific motions;
- (5) the means to contact the proposing supervisor, date of proposal, etc.

Within three days of receiving a written proposal from the Supervisory, the chairman of the Supervisory Committee shall issue a notice to convene an interim meeting of the Supervisory Committee.

**Article 11** The Supervisory Committee shall notify all supervisors by personal delivery, mail, e-mail or other written means ten days before and three days after the regular and extraordinary meetings are held, respectively. If not delivered directly, a confirmation shall also be made by telephone and recorded accordingly.

If the situation is urgent and an interim meeting of the Supervisory Committee needs to be held as soon as possible, a notice of the meeting may be given by telephone or other oral means at any time, but the convener shall make a statement at the meeting.

If a person other than the chairman of the Supervisory Committee convenes a meeting of the Supervisory Committee, the reasons why the chairman of the Supervisory Committee is unable to convene the meeting and the basis on which the convener is created shall be stated in the notice of the meeting.

**Article 12** A notice of the meeting of the Supervisory Committee shall at least include:

- (1) the time, venue and duration of the meeting;
- (2) the reasons and topics for discussion;
- (3) the convener and presiding officer of the meeting, the proponent of the interim meeting and its written proposal;
- (4) the meeting materials necessary for the supervisor to vote;
- (5) the requirements that supervisors should attend meetings in person;
- (6) contact person and contact information;
- (7) the date of the notice.

A verbal notice of the meeting shall at least include (1) and (2) above, and an explanation for an interim meeting of the Supervisory Committee in an emergency.

**Article 13** Meetings of the Supervisory Committee shall be held onsite.

In case of emergency, the Supervisory Committee meeting may be voted by correspondence, but the convener of the Supervisory Committee (the presiding officer of the meeting) shall explain the specific emergency to the participating supervisors. In the case of voting by correspondence, the supervisors shall use facsimile or otherwise deliver to the office of the Supervisory Committee their written opinions and voting intentions on the matters under consideration after signing and confirming them. Supervisors should not merely write down their voting opinions without expressing their written opinions or reasons for voting.

**Article 14** The meeting of the Supervisory Committee shall be held with the presence of a majority of the supervisors, and the secretary of the Board shall attend the meeting of the Supervisory Committee.

**Article 15** A supervisor shall attend the meetings of the Supervisory Committee in person, or appoint in writing another supervisor to attend the meeting on his/her behalf due to his/her absence. The letter of authorization shall specify the name of the entrusted supervisor, entrusted matter, limit of authority and period of validity and shall be signed and sealed by the entrusting supervisor. Supervisors attending the meeting by proxy shall exercise the rights of supervisors within the scope of their authorization. A supervisor who fails to attend a meeting of the Supervisory Committee or to attend by proxy shall be deemed to have abstained from voting at such meeting.

**Article 16** Any person who fails to attend the meeting in person twice in a row and does not appoint other supervisors to attend the meeting of the Supervisory Committee shall be regarded as unable to perform his or her duties, and the Supervisory Committee shall talk to him or her to remind him or her, and if he or she still does not rectify the situation, he or she may be proposed to the shareholders' general meeting or the general meeting of employees' representatives to be removed from office.

**Article 17** The presider of the meeting shall ask the attending supervisors to provide definite opinions on respective proposals.

**Article 18** The Supervisory Committee may request the Directors, general manager and other senior management, internal and external auditors of the Company to attend the meetings of the Supervisory Committee to answer questions of concern when the Supervisory Committee deems necessary.

#### **Chapter 4 Voting of the Supervisory Committee Meeting**

**Article 19** Voting is conducted by ballot and in writing at the meetings of the Supervisory Committee. Each Supervisor shall have one vote.

**Article 20** After each proposal has been fully discussed, the presiding officer shall call for a vote by the Supervisors present at the meeting in due course.

The voting intent of a supervisor is either for, against and abstain. Every attending supervisor shall choose one out of the aforesaid intents. Where any supervisor does not make any option or makes two or more options, the presider shall require the said supervisor to make an option again, otherwise, the said supervisor shall be deemed as having abstained from voting. Any supervisor who has left in the middle of the meeting and not returned for the meeting and has not made any option shall be deemed as having abstained from voting.

**Article 21** The resolution of the Supervisory Committee shall be passed by more than half of the supervisors.

**Article 22** Supervisors shall urge the relevant personnel to implement the resolutions of the Supervisory Committee. The chairman of the Supervisory Committee shall inform the implementation of the resolutions that have been formed at subsequent meetings of the Supervisory Committee.

**Article 23** Prior to the public disclosure of the resolution of the Supervisory Committee, the participating supervisors, the persons attending the meeting at the request of the Supervisory Committee and the service personnel shall have the obligation to keep the content and resolution of the meeting confidential and shall not disclose them to the public without the consent of the Supervisory Committee.

#### **Chapter 5 Records and Retention of Supervisory Committee Meeting**

**Article 24** The Supervisory Committee shall keep minutes of the matters decided in the meetings. The minutes shall include the following information:

- (1) the number of sessions, time, venue and form of the meeting;
- (2) the sending status of the notice of meeting;
- (3) the convener and presider of the meeting;
- (4) the attendance of the meeting;
- (5) the proposals considered at the meeting, the highlight of every supervisor's speech and main opinions in respect of relevant matters;
- (6) the voting method and result for each proposal (the voting result shall set out the respective numbers of for, against and abstain);
- (7) other issues that the attending supervisors think should be included in the minutes.



For a Supervisory Committee meeting to be held by correspondence, the office of the Supervisory Committee shall sort out the meeting minutes as per the preceding provision.

**Article 25** Supervisors and recorders attending the meeting shall sign the minutes of the meeting.

If the supervisor has a different opinion on the minutes, he/she may make a written statement when signing. Supervisors who neither sign to confirm in accordance with the preceding paragraph nor make a written explanation of their dissenting opinions are deemed to fully agree with the contents of the minutes.

**Article 26** Supervisors shall be responsible for the resolution of the Supervisory Committee and shall ensure that the content of the resolution of the Supervisory Committee is true, accurate and complete, and that there are no false records, misleading statements or material omissions. If a resolution of the Supervisory Committee violates the laws, regulations, rules and regulations, the Articles of Association and these Rules and causes the Company to suffer serious losses, the supervisors who participated in the resolution shall be liable to the Company for compensation. However, if it is proved that he/she has expressed dissent during the voting and recorded it in the minutes of the meeting, the supervisor shall be exempted from liability.

**Article 27** The files of the meetings of the Supervisory Committee, including the meeting notice and meeting materials, the meeting sign-in book, the voting ballots, the minutes of the meetings signed and confirmed by the participating supervisors, etc., shall be kept as the Company's files by the chairman of the Supervisory Committee, who shall be designated as the person responsible for keeping them for a period of not less than ten years.

#### **Chapter 6 Supplementary Articles**

**Article 28** The terms "above", "within" and "before" as mentioned in these Rules are inclusive, while "over", "lower than" and "more than" are exclusive.

**Article 29** Any matters not covered by these Rules shall be carried out in accordance with the relevant laws, regulations, normative documents and the relevant provisions of the Articles of Association. If these Rules are in conflict with the laws, regulations, normative documents promulgated in the future or the Articles of Association are amended by legal procedures, they shall be carried out in accordance with the relevant laws, regulations, normative documents and the Articles of Association and shall be amended in a timely manner.

**Article 30** These Rules shall be construed by the Supervisory Committee.

**Article 31** These Rules are annexes to the Articles of Association of the Company and shall take effect after consideration and adoption at the shareholders' general meeting of the Company.

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## APPENDIX IV                      PROPOSED AMENDMENTS TO THE ARTICLES

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*The details of the proposed amendments to the Articles of Association are shown herein (with strikethrough to denote text to be deleted and underline to denote text to be added) as follows. Unless otherwise specified, clauses, paragraphs and article numbers referred to herein are clauses, paragraphs and article numbers of the new Articles. If the serial numbering of the clauses, paragraphs and article numbers of the existing Articles is changed due to the addition, deletion or re-arrangement of certain clauses, paragraphs and article numbers made in these amendments, the serial numbering of the clauses, paragraphs and article numbers of the existing Articles as so amended shall be changed accordingly, including cross references.*

### CHAPTER 1 GENERAL PROVISIONS

Article 1      Biosino Bio-Technology and Science Incorporation\* (the “Company”) is a joint stock limited company incorporated in accordance with the Company Law of the People’s Republic of China (the “PRC”) (the “Company Law”),~~the State Council’s Special Regulations Regarding the Issue of Shares and the Listing Overseas by Joint Stock Limited Companies (the “Special Regulations”)~~ and other relevant laws and regulations of the State.

The Company was incorporated on 26 April 2001 by means of promotion after the approval of the Economic System Restructuring Office of the People’s Government of Beijing Municipality evidenced by the approval document, “Jing Zheng Ti Gai Gu Han [2001] No. [25]” and the confirmation of the State Economic and Trade Commission evidenced by the approval document, “Guo Jing Mao Qi Gai [2001] No. [1366]” were obtained. The Company registered itself with and was granted a business licence by Beijing Administration for Industry and Commerce on 26 April 2001. The Company’s business licence number is: 1100001420449 (1-1).

The Sponsors of the Company (the “Sponsors”) are the Institute of Biophysics of Chinese Academy of Sciences (legal address: No. 15 Datun Road, Chaoyang District, Beijing; legal representative: Rao Zihe), Beijing Enterprises Holdings High-Tech Development Co., Ltd. (legal address: Room 303-304, Building 7, Shang Di Dong Li Si Qu, Haidian District, Beijing; legal representative: Wang Sihong); Zhejiang Huangyan Fine Chemicals Group Co., Ltd. (legal address: No. 5 Rouji Road, Chengguan Town, Huangyan District, Taizhou City; legal representative: Wang Qipeng); Shanghai New Margin Venture Capital Co., Ltd. (legal address: No. 99 Yinqiao Road, Pudong New Area, Shanghai Municipality; legal representative: Dong Yeshun); Zhu Yigui (ID card No.: 110108371223145); and Fan Rong (ID card No.: 110105410518542).

Article 2      Registered name of the Company:  
In Chinese: 中生北控生物科技股份有限公司  
In English: Biosino Bio-technology and Science Incorporation\*

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## APPENDIX IV                      PROPOSED AMENDMENTS TO THE ARTICLES

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Article 3     The address of the Company: 27 Chaoqian Road, Science and Technology Industrial Park, Changping District, Beijing  
Postal code: 100083  
Tel No.: (8610) 80117503  
Fax No.: (8610) 80117026

Article 4     The Company's legal representative shall be served by either the Chairman of the board of directors (the "Board of Directors"), an executive director or a manager of the Company, shall be appointed by the Board of Directors and registered according to law.

Article 5     The Company is a joint stock limited company which has perpetual existence.

The rights and responsibilities of the Company's shareholders shall only be limited to the proportion of the shares as held by them; the Company shall be responsible for the Company's debts by all of its assets.

The Company is an independent corporate legal person, governed by, and existing under the protection of, the laws and regulations of the PRC.

Article 6     The Company made amendments to the original Articles of Association (the "original Articles of Association") and formulated the current Articles of Association (the "Articles of Association") at a shareholders' general meeting in accordance with Company Law, ~~Special Regulations, Mandatory Provisions for Articles of Association of Companies Listing Overseas (the "Mandatory Provisions"), Circular Regarding Comments on the Amendments to Articles of Association of Companies Listed in Hong Kong ("Comments on the Amendments to Articles of Association")~~, other national laws, administrative regulations and related rules.

~~Article 7     The original Articles of Association have completed registration formalities with Beijing Administration for Industry and Commerce, which have come into effect since the date of establishment of the Company.~~

Article ~~7~~8     From the date on which the Articles of Association come into effect, the Articles of Association constitute the legally binding document regulating the Company's organisation and activities, the rights and obligations between the Company and its shareholder and among the shareholders.

Article ~~9-8~~8     The Articles of Association are binding on the Company and its shareholders, directors, supervisors, managers and other senior management personnel, all of whom may, according to the Articles of Association, assert rights in respect of the affairs of the Company.

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## APPENDIX IV            PROPOSED AMENDMENTS TO THE ARTICLES

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A shareholder may take action against the Company pursuant to the Articles of Association, and vice versa. A shareholder may also take action against another shareholder, directors, supervisors, managers and other senior management personnel of the Company pursuant to the Articles of Association.

~~The actions referred to in the preceding paragraph include court proceedings and arbitration proceedings.~~

Article ~~10-9~~ The Company can invest in other enterprises. However, except otherwise stipulated by laws, the Company shall not become a capital contributor that shall bear joint liabilities for the debts of the enterprises in which it invests.

Article ~~10+~~ Under the premise of observing the laws and administrative regulations of the PRC, the Company has the right of financing or borrowing. The right of financing of the Company includes (but not limited to) the rights to issue corporate bonds, to pledge or mortgage the rights of ownership or rights of use of all or part of its assets as well as other rights permitted by the PRC laws and administrative regulations, and to provide all types of guarantee for debts of any third party (including but not limited to the affiliated or joint companies of the Company) under all circumstances. However, the Company shall not infringe or abolish the rights of any ~~class of~~ shareholders in exercising the above rights.

### CHAPTER 2 BUSINESS OBJECTIVES AND SCOPE OF BUSINESS

Article ~~11~~2 The business objectives of the Company are: to be people oriented, to develop high and new technologies, to achieve effective integration of technology and capital, to promote the transformation of scientific and technological achievements, to develop the biotechnology industry, to establish a world-class enterprise, and to create favorable social and economic benefits.

Article ~~12~~3 The scope of business of the Company includes: technological development, technological services, manufacturing and sales of medical diagnostic reagents, medical equipments and instruments; leasing of medical devices and equipment; technological development and services of biological products; self-operation of and acting as agency for the import and export of various commodities and technologies other than those restricted or prohibited by the state from import and export; the Company shall not operate any activities prohibited by laws and regulations; the Company shall not operate any activities before obtaining a licence; the Company may adopt business projects and carry out any such business activities that do not require approval by laws and regulations.

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Article 134 ~~Subject to the approval by the relevant government authorities,~~ The Company may, when appropriate, modify its investment policies, scope and style of operations as well as set up branches and offices in the PRC and areas including Hong Kong, Macau and Taiwan (whether wholly-owned or not) according to the domestic and international market trends, business development requirements in the PRC and the Company's own development capabilities and business requirements according to applicable laws.

### CHAPTER 3 SHARES AND REGISTERED CAPITAL

Article 154 There must, at all times, be ordinary shares in the Company, which include “Domestic Shares” and “Foreign Shares”. Subject to the approval of the companies approving department authorised by the State Council, the Company may, according to its requirements, create different classes of shares.

Article 165 The shares issued by the Company shall each have a par value of RMB1.00.

“RMB” as mentioned above means the legal currency of the PRC.

Article 176 ~~Subject to the approval of the securities competent authority of the State Council,~~ The Company may issue shares to Domestic Investors and Foreign Investors according to laws. If the Company issues securities in the same overseas market, it shall file with the China Securities Regulatory Commission (hereinafter referred to as “CSRC”) in accordance with the regulations.

“Foreign Investors” means those investors who subscribe for the shares of the Company and who are located in foreign countries and in the regions of Hong Kong, Macau and Taiwan. “Domestic Investors” means those investors who subscribe for the shares of the Company and who are located within the territory of the PRC (except the areas referred to above).

Article 187 Shares which the Company issues to Domestic Investors for subscription in RMB are called “Domestic Shares”; shares which the Company issues to Foreign Investors for subscription in foreign currencies are called “Foreign Shares”. Foreign Shares which are listed overseas are called “Overseas Listed Foreign Shares”. The shareholders of “Domestic Shares” and the shareholders of “Overseas Listed Foreign Shares” shall be shareholders of ordinary shares, possessing the same rights and obligations.

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## APPENDIX IV            PROPOSED AMENDMENTS TO THE ARTICLES

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“Foreign currencies” means the legal currencies of countries or districts outside the PRC which are recognised by the foreign exchange authority of the State and which can be used to make the share price to the Company.

Article 198 Foreign Shares issued by the Company and which are listed in Hong Kong shall be referred to as “H Shares”. “H Shares” means the shares which have been admitted for listing on The Stock Exchange of Hong Kong Limited (hereinafter the “Hong Kong Stock Exchange”), the par value of which is denominated in RMB and which are subscribed for and traded in Hong Kong dollars.

Subject to the approval by the State Council or the vetting authority authorised by the State Council and the consent from the Hong Kong Stock Exchange, the Domestic Shares can be converted into H Shares.

Article 2019 Subject to the approval of the Economic Restructuring Office of the People’s Government of Beijing Municipality evidenced by the approval document, “Jing Zheng Ti Gai Gu Han [2001] No. [25]”, the Company may issue 70,017,528 ordinary shares. There is an aggregate of 70,017,528 ordinary shares issued to the Sponsors upon the incorporation of the Company with a nominal value of RMB1.00 each, representing 100% of the total number of ordinary shares of the Company. The share capital of the Company is RMB70,017,528.

Article 201 Subject to the approval from relevant authorities, the Company issued 33,000,000 Overseas Listed Foreign Shares (H-shares) listed on GEM of the Hong Kong Stock Exchange, representing approximately 33% of the total number of ordinary shares of the Company after such issuance.

As a result of the said issue, there were an aggregate of 100,017,528 ordinary shares with a nominal value of RMB1.00 each in the share capital of the Company, which in turn increased to RMB100,017,528.

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## APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES

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Following the issue of H-shares as mentioned above, there were an aggregate of 100,017,528 ordinary shares (104,517,528 ordinary shares upon full exercise of the over-allotment option by the manager of such issue) in the share capital of the Company. Without taking account of the shares issued upon the exercise of the over-allotment option, the Institute of Biophysics of the Chinese Academy of Sciences, Beijing Enterprises Holdings High-Tech Development Co., Ltd., Zhejiang Huangyuan Fine Chemicals Group Co., Ltd., Shanghai New Margin Venture Capital Co., Ltd., Zhu Yigui, Fan Rong, all of whom are our sponsors, held 31,308,576 shares, 24,506,143 shares, 5,951,492 shares, 3,500,878 shares, 1,050,263 shares and 700,176 shares, respectively, representing 31.30%, 24.50%, 5.95%, 3.50%, 1.05% and 0.70% of the total share capital of the Company following the issue of H-shares, respectively. Other Overseas Listed Foreign Shares (H-shares) holders held at least 33,000,000 shares (representing 33% of the total share capital of the Company) before the exercise of an extra 15 % over-allotment option and a maximum of 37,950,000 shares (representing approximately 36.31% of the total share capital of the Company) upon the exercise of an extra 15% over-allotment option.

As approved by relevant authorities, the Company issued an additional of 31,286,143 specific Overseas Listed Foreign Shares (H-shares) (the “2010 Issue”).

As a result of the 2010 Issue, there were an aggregate of 131,303,671 ordinary shares with a nominal value of RMB1.00 each in the share capital of the Company, which in turn increased to RMB131,303,671.

Following the issue of H-shares and the 2010 Issue as mentioned above, there were an aggregate of 131,303,671 ordinary shares, of which the Institute of Biophysics of the Chinese Academy of Sciences (as our sponsor), Shanghai Fosun Pingyao Investment Management Co., Ltd., Wu Lebin (吳樂斌) (as a natural person), Hangzhou Everlong Biotechnics Co. Ltd., Zhu Yigui (as our sponsor) and Fan Rong (as our sponsor) held 31,308,576 domestic shares, 24,506,143 domestic shares, 3,500,878 domestic shares, 3,301,492 domestic shares, 1,050,263 domestic shares and 700,176 domestic shares, respectively, representing 23.84%, 18.66%, 2.67%, 2.52%, 0.80% and 0.53% of the total share capital of the Company, respectively. Other domestic shareholders held 2,650,000 Domestic Shares, representing approximately 2.02% of the total share capital of the Company. Other Overseas Listed Foreign Shares (H-shares) holders held 64,286,143 shares, representing approximately 48.96% of the total share capital of the Company.

As approved by relevant authorities, the Company issued an additional 13,403,505 domestic shares (the “2016 Issue”).

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As a result of the 2016 Issue, there were an aggregate of 144,707,176 ordinary shares with a nominal value of RMB1.00 each in the share capital of the Company, which in turn increased to RMB144,707,176.

Following the issue of domestic shares and the 2016 Issue as mentioned above, there were an aggregate of 144,707,176 ordinary shares, of which the Institute of Biophysics of the Chinese Academy of Sciences, Beijing Shuoze Health Industry Investment Company Limited, Beijing Junfengxiang Bio-technology Company Limited, Wu Lebin (as a natural person), Hangzhou Everlong Biotechnics Co. Ltd., Zhu Yigui, Fan Rong (as our sponsor). will hold 31,308,576 domestic shares, 24,506,143 domestic shares, 7,213,503 domestic shares, 3,500,878 domestic shares, 3,301,492 domestic shares, 1,050,263 domestic shares and 700,176 domestic shares, respectively, representing 21.64%, 16.93%, 4.98%, 2.42%, 2.28%, 0.73% and 0.48% of the total share capital of the Company, respectively. Other domestic shareholders will hold 8,840,002 domestic shares, representing approximately 6.11% of the total share capital of the Company. Other overseas listed foreign shares (H-shares) holders will hold 64,286,143 shares, representing approximately 44.42% of the total share capital of the Company.

~~Article 22 The Company's Board of Directors may take all necessary action for the respective issuance of the Overseas Listed Foreign Shares and Domestic Shares after the proposals for issuance of the same have been approved by the securities competent authority of the State Council.~~

~~The Company may implement its proposal to issue the Overseas Listed Foreign Shares and Domestic Shares pursuant to the preceding paragraph within fifteen (15) months from the date of approval by the securities competent authority of the State Council.~~

~~Article 23 Where the total number of shares stated in the proposal for the issuance of shares includes Overseas Listed Foreign Shares and Domestic Shares, such shares should be fully subscribed for at their respective offerings. If the shares cannot be fully subscribed for all at once due to special circumstances, the shares may, subject to the approval of the securities competent authority of the State Council, be issued on separate occasions.~~



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Article 21~~4~~ Prior to the issue of H-shares, the registered and fully-paid up share capital of the Company was RMB70,017,528, which had been filed to relevant company registry for record.

Before the completion of the 2010 Issue, the registered and fully-paid up share capital of the Company was RMB100,017,528, which had been filed to relevant company registry for record. Upon completion of the 2010 Issue, the share capital of the Company was increased to RMB131,303,671.

Before the completion of the 2016 Issue, the registered and fully-paid up share capital of the Company was RMB131,303,671, which had been filed to relevant company registry for record. Upon the completion of the 2016 Issue, the share capital of the Company was increased to RMB144,707,176.

Article 22~~5~~ The Company may, based on its operation and development needs, increase its capital by the following means in accordance with the provisions of the laws and regulations upon resolutions of the shareholders' general meeting:

- (1) public offering of shares;
- (2) non-public offering of shares;
- (3) distributing bonus shares to existing shareholders;
- (4) converting provident fund into share capital increases;
- (5) other means permitted by laws and administrative regulations. ~~authorise the increase of its capital pursuant to the Articles of Association.~~

~~The Company may increase its capital in the following ways:~~

- ~~(1) by offering new shares for subscription by unspecified investors;~~
- ~~(2) by placing new shares to its existing shareholders;~~
- ~~(3) by allotting bonus shares to its existing shareholders;~~
- ~~(4) by any other means which is permitted by laws and administrative regulations.~~

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~~After the Company's increase of share capital by means of the issuance of new shares has been approved in accordance with the provisions of the Articles of Association, the issuance thereof should be made in accordance with the procedures set out in the relevant laws and administrative regulations of the State.~~

Article 236 Unless otherwise stipulated in the relevant laws or administrative regulations, shares in the Company shall be freely transferable and are not subject to any lien.

Article 24 The Company or the Company's subsidiaries (including the Company's affiliated enterprises) shall not provide any financial assistance in the form of grants, advances, guarantees, compensation or loans to persons who purchase or propose to purchase the shares of the Company.

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

Article 257 According to the provisions of the Articles of Association, the Company may reduce its registered capital.

Article 268 The Company must prepare a balance sheet and an inventory of assets when it reduces its registered capital.

The Company shall notify its creditors within 10 days of adopting the resolution to reduce its registered capital and shall publish a public announcement of the resolution in a newspaper within 30 days of the date of such resolution. Creditors shall, within 30 days of receiving a written notice or within 45 days of the date of the public announcement for those who have not received a written notice, be entitled to require the Company to pay its debts in full or to provide a corresponding guarantee for such debt.

The Company's registered capital may not, after the reduction in capital, be less than the minimum amount prescribed by law.

Article 279 ~~The Company may, in accordance with the procedures set out in the Articles of Association and with the approval of the relevant competent authority of the State, repurchase its outstanding shares under the following circumstances: The Company shall not acquire shares of the Company. However, except in one of the following circumstances:~~

- (1) cancellation of shares for the purposes of reducing its capital;
- (2) merging with another company that holds shares in the Company;

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- (3) granting of shares to staff of the Company use of shares for employee stock ownership plan or equity incentive;
  
- (4) shareholders who are against merger and division resolutions made by the Company's General Meetings and request the Company to buy back their shares;
  
- (5) use of shares for conversion of corporate bonds issued by the Company that are convertible into shares;
  
- ~~(4)~~(6) necessary for the Company to preserve the value of the Company and the rights of its shareholders;
  
- ~~(5)~~(7) other circumstances permitted by laws and administrative regulations.

The Company shall obtain the prior approval of the shareholders at a general meeting before it can repurchase shares for the reasons set out in the preceding subparagraphs (1) to (32). If the Company acquires the shares of the Company due to the circumstances specified in subparagraphs (3), (5) and (6) of the preceding paragraph, it may, in accordance with the provisions of the Articles of Association or the authorisation of the shareholders' general meeting, resolve to do so at a meeting of the Board of Directors at which more than two-thirds of the directors are present. The shares the Company repurchases in accordance with the provision of Clause 1 (3) shall not be more than 5% of the total issued shares of the Company. The funds for the repurchase shall be provided from the after-tax profit. The shares repurchased shall be transferred to the staff within one year.

After the Company acquires the shares of the Company in accordance with the provisions of paragraph (1) of this Article, the shares belonging to the circumstances of paragraph (1) shall be cancelled within ten days from the date of acquisition. The shares belonging to the circumstances of paragraphs (2) and (4) shall be transferred or cancelled within six months. The aggregate number of shares belonging to the circumstances of paragraphs (3), (5) and (6) held by the Company shall not exceed ten percent of the total number of issued shares of the Company and shall be transferred or cancelled within three years.

The total par value of the cancelled shares shall be written down from the registered capital of the Company.

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Upon the completion of the reduction of registered capital and change of registration, the Company shall make an announcement in accordance with the requirements of the overseas and Hong Kong Stock Exchange Listing Rules, where applicable.

If the Company acquires the shares of the Company due to the circumstances specified in subparagraphs (3), (5) and (6) of the first paragraph of this Article, it shall do so through a public centralised transaction.

The Company may not accept taking the shares of the Company as subject matter of a pledge.

~~The Company shall repurchase its outstanding shares in accordance with the stipulations of Article 30 to Article 33.~~

~~Article 30 — The Company may repurchase shares in one of the following ways, with the approval of the relevant competent authority of the State:~~

- ~~(1) — by making an offer for the repurchase of shares to all its shareholders on a pro rata basis;~~
- ~~(2) — by repurchasing shares through public dealing on a stock exchange; or~~
- ~~(3) — by repurchasing shares outside of the stock exchange by means of an off-market agreement.~~

~~With regard to the repurchase of the shares,~~

- ~~(1) — if it is not through market or by means of bidding, price of shares repurchased by the Company cannot exceed certain maximum price level.~~
- ~~(2) — if bidding method is used for the repurchase, invitation must be made under the same conditions to all shareholders.~~

~~Article 31 — The Company must obtain the prior approval of the shareholders in a general meeting in the manner stipulated in the Articles of Association before it can repurchase shares outside the stock exchange by means of an off-market agreement. The Company may, by obtaining the prior approval of the shareholders in a general meeting (in the same manner), rescind or vary any contract which has been so entered into or waive any right thereof.~~

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~~A contract for the repurchase of shares referred to in the preceding paragraph includes (but not limited to) an agreement to become liable to repurchase shares or an agreement to have the right to repurchase shares.~~

~~The Company shall not assign any contract for the repurchase of its shares or any right contained in such contract.~~

~~Article 32 — Where shares of the Company are purchased in accordance with Article 29 (1), it shall be canceled within ten days upon its purchase; where shares of the Company are purchased in accordance with Article 29 (2) or (4), it shall be transferred or canceled within six months upon its purchase. The Company shall apply to the original company registration authority for registration of the change in its registered capital.~~

~~The aggregate par value of the cancelled shares shall be deducted from the Company's registered share capital.~~

~~After the completion of a reduction in the registered capital and the registration of such change, the Company shall make a public announcement in accordance with the overseas provisions (if applicable) and the Listing Rules.~~

~~Article 33 — Unless the Company is in the course of liquidation, it must comply with the following provisions in relation to the repurchase of its outstanding shares:~~

~~(1) — where the Company repurchases shares at par value, payment shall be made out of book surplus distributable profits of the Company or out of proceeds of a new issue of shares made for that purpose;~~

~~(2) — where the Company repurchases shares of the Company at a premium to its par value, payment up to the par value may be made out of the book surplus of distributable profits of the Company or out of the proceeds of a new issue of shares made for that purpose. Payment of the portion in excess of the par value shall be effected as follows:~~

~~i. — if the shares being repurchased were issued at par value, payment shall be made out of the book surplus of distributable profits of the Company;  
or~~

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- ii. ~~if the shares being repurchased were issued at a premium to its par value; payment shall be made out of the book surplus of distributable profits of the Company or out of the proceeds of a new issue of shares made for that purpose, provided that the amount paid out of the proceeds of the new issue shall not exceed the aggregate amount of premiums received by the Company on the issue of the shares repurchased nor shall it exceed the premium account or the book value of the Company's capital common reserve fund account (including the premiums on the new issue) at the time of the repurchase;~~
  
- (3) ~~the Company shall make the following payments out of the Company's distributable profits:~~
  - i. ~~payment for the acquisition of the right to repurchase its own shares;~~
  
  - ii. ~~payment for variation of any contract for the repurchase of its shares;~~
  
  - iii. ~~payment for the release of its obligations under any contract for the repurchase of shares.~~
  
- (4) ~~after the Company's registered capital has been reduced by the aggregate par value of the cancelled shares in accordance with the relevant provisions, the amount deducted from the distributable profits of the Company for payment of the par value of shares which have been repurchased shall be transferred to the Company's premium account or capital common reserve fund account.~~

### CHAPTER 5 FINANCIAL ASSISTANCE FOR ACQUISITION OF SHARES

Article 34 ~~The Company and its subsidiaries shall not, at any time, provide any form of financial assistance to a person who is acquiring or is proposing to acquire shares in the Company. This includes any person who directly or indirectly incurs any obligations as a result of the acquisition of shares in the Company (the "Obligor").~~

~~The Company and its subsidiaries shall not, at any time, provide any form of financial assistance to the Obligor for the purposes of reducing or discharging the obligations assumed by such person.~~

~~This Article shall not apply to the circumstances specified in Article 36 of this Chapter.~~

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Article 35 — For the purpose of this Chapter, “financial assistance” includes (but not limited to) the following:

- (1) — gift;
- (2) — guarantee (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the Obligor), compensation (other than compensation in respect of the Company’s own default) or release or waiver of any rights;
- (3) — provision of loan or the making of any other agreement under which the obligations of the Company are to be fulfilled before the obligations of another party, or the change in parties to, or the assignment of rights under, such loan or contract; or
- (4) — any other form of financial assistance given by the Company when the Company is insolvent or has no net assets or when its net assets would thereby be reduced to a material extent.

For the purposes of this Chapter, “assumption of obligations” includes the assumption of obligations by means of contract or by means of arrangement (irrespective of whether such contract or arrangement is enforceable or not and irrespective of whether such obligation is to be borne solely by the Obligor or jointly with other persons) or by any other means which results in a change in his financial position.

Article 36 — The following acts shall not be deemed to be acts prohibited by Article 34 of this Chapter:

- (1) — the provision of financial assistance by the Company where the financial assistance is given in good faith in the interests of the Company, and the principal purpose of which is not for the acquisition of shares in the Company, or the giving of the financial assistance is an incidental part of a master plan of the Company;
- (2) — the lawful distribution of the Company’s assets as dividend;
- (3) — the distribution of dividends in the form of shares;
- (4) — a reduction of registered capital, a repurchase of shares of the Company or a reorganisation of the shareholding structure of the Company effected in accordance with the Articles of Association;

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- (5) ~~the provision of loans by the Company falls within its scope of business and is in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the net assets are thereby reduced, the financial assistance is provided out of distributable profits); and~~
- (6) ~~contributions made by the Company to the employee share ownership scheme (provided that the net assets of the Company are not thereby reduced or that, to the extent that the net assets are thereby reduced, the financial assistance is provided out of distributable profits).~~

### CHAPTER ~~6~~5 SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

Article ~~37~~28 Share certificates of the Company shall be in registered form.

Share certificates of the Company shall bear the following main items including other matters as required by the Company Law, Special Regulations and the stock exchange on which the shares of the Company are listed:

- (1) name of the Company;
- (2) date of registration and establishment of the Company;
- (3) class of share certificates, par value and the number of shares it represents;
- (4) Code of share certificates;
- (5) ~~date on which each shareholder obtains the share(s);~~
- (6)(5) Other matters as required by the Company Law, ~~Special Regulations~~ and the stock exchange on which the shares of the Company are listed.

Article ~~38~~29 The shares of the Company may be transferred, given, inherited and pledged in accordance with relevant laws, administrative regulations and the provisions herein.

Where shareholders holding more than 5% of the shares of the Company with voting rights have their shares pledged, a written report shall be submitted to the Company in writing ~~within 3 working days from~~on the date of occurrence thereof.



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Any transfer and assign of shares shall be registered with the share registrar appointed by the Company, the charge of fees (if any) in relation thereto shall not exceed the maximum amount as specified by The Stock Exchange of Hong Kong Limited from time to time in the Listing Rules.

Article 30~~9~~ Share certificates shall be signed by the Chairman of the board of the Company. Related senior management personnel shall also sign the share certificates if required by the stock exchange on which the shares of the Company are listed. The share certificates shall take effect after being sealed or imprinted with the seal of the Company (including the Company chop for securities), or with the seal sign in printed form. The share certificate shall not be valid unless a seal of the Company or the securities chop under the authorisation of the Board of Directors is affixed. Signatures of Director of the Company and other related senior management personnel can be printed on the certificates of shares as well.

Article 40~~-31~~ The Company shall keep a register of shareholders which shall contain the following items:

- (1) the name (title) and address (residence), ~~the occupation or nature~~ of each shareholder;
- (2) the class and quantity of shares held by each shareholder;
- ~~(3) the amount paid-up on or agreed to be paid-up on the shares held by each shareholder;~~
- ~~(4)~~(3) the share certificate numbers of the shares held by each shareholder;
- ~~(5)~~(4) the date on which each person was entered in the register as a shareholder;
- ~~(6) the date on which any shareholder ceased to be a shareholder.~~

Unless there is evidence to the contrary, the register of shareholders shall be sufficient evidence of the shareholders' shares in the Company.

~~Article 41 The Company may, in accordance with the mutual understanding and agreements made between the securities competent authorities of the State Council and overseas securities regulatory authorities, maintain the register of shareholders of Overseas Listed Foreign Shares overseas and appoint overseas agents to manage such register of shareholders. The original register for holders of Overseas Listed Foreign Shares shall be maintained in Hong Kong. The Company shall appoint Hong Kong agent(s) to manage such register of shareholders.~~

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~~A duplicate register of shareholders for the holders of Overseas Listed Foreign Shares shall be maintained at the Company's residence. The appointed overseas agents shall ensure consistency between the original and the duplicate register of shareholders at all times.~~

~~If there is any inconsistency between the original and the duplicate register of shareholders for the holders of Overseas Listed Foreign Shares, the original register of shareholders shall prevail.~~

Article 342 The Company shall have a complete register of shareholders.

It shall comprise the following parts:

- (1) the register of shareholders which is maintained at the Company's residence (other than those registers of shareholders which are described in subparagraphs (2) and (3) of this Article);
- (2) the register of shareholders in respect of the holders of Overseas Listed Foreign Shares of the Company which is maintained in the same place as the overseas stock exchange on which the shares are listed;
- (3) the register of shareholders which is maintained in such other place as the Board of Directors may consider necessary for the purposes of the listing of the shares of the Company.

Article 343 Different parts of the register of shareholders shall not overlap. No transfer of any shares registered in any part of the register shall, during the continuance of that registration, be registered in any other part of the register.

All the fully paid Overseas Listed Foreign Shares listed in Hong Kong shall be freely transferred pursuant to these Articles. However, the Board of Directors may refuse to recognize any transfer instruments without assigning any reason thereof unless the same satisfies the following:

- (1) a fee of HK\$2.50 per instrument of transfer or such lower amount required from time to time by the Board of Directors (the fee shall not exceed the maximum rate stated in the Listing Rules) has been paid to the Company for registration of the instrument of transfer and other documents relating to or likely to affect the right of the ownership of the shares;
- (2) the instrument of transfer relates only to Overseas Listed Foreign Shares listed in Hong Kong;

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- (3) payment in full of any stamp duty due on the instrument of transfer;
- (4) provision of the relevant share certificates and any other evidence reasonably required by the Board of Directors to prove the transferor's right to make the transfer;
- (5) if the shares are to be transferred to joint holders, the number of joint holders shall not exceed four (4);
- (6) the Company does not have any lien on the relevant shares.

Overseas Listed Foreign Shares of the Company listed in Hong Kong shall be transferred in written form after ordinary or standard procedures or any other procedure acceptable by the Board of Directors (including standard transfer procedures or forms as prescribed by The Stock Exchange of Hong Kong Limited from time to time) are gone through. Such transfer document shall be signed by the transferor and transferee in person or in the form of machine printing. All instruments of transfers must be kept at the legal address of the Company or any other place as determined by the Board of Directors from time to time.

Amendments or rectification of the register of shareholders shall be made in accordance with the laws of the place where the register of shareholders is maintained.

If the Company refuses to register the transfer of shares, it shall give a written notice of registration rejection to the transferor and the transferee within two months after the date of officially filing the transfer application.

Article ~~34~~<sup>4</sup> Changes from shares transfer may not be entered in the register of shareholders within 20 days prior to the date of a shareholder's general meeting or within 5 days prior to the record date set for the purpose of distribution of dividends. However, if the regulator of the place where the Company's shares are listed provides otherwise for the change of the register of shareholders, it shall comply with its provisions.

Article ~~34~~<sup>5</sup> When the Company needs to convene a shareholders' meeting for the purposes of determination, dividend distribution, liquidation or any other purposes which need to determine shareholdings, the Board of Directors or the convener(s) of the shareholders' general meeting shall determine a record date for the determination of shareholdings. The shareholders of the Company shall be such persons who appear in the register of shareholders at the close of such record date.

Article ~~4~~<sup>36</sup> Any person who disputes the register of shareholders and asks for inclusion of his name in or removal of his name from the register of shareholders may apply to a court of competent jurisdiction for rectification of the register.

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Article 437 A person who is a registered shareholder or who claims to be entitled to have his name (title) entered in the register of shareholders in respect of shares in the Company may, if his share certificate (the “original certificate”) relating to the shares is lost, apply to the Company for a replacement share certificate in respect of such shares (the “Relevant Shares”). Where right is exercised to issue share warrants to bearer, no new share warrant shall be issued to replace the one that has been lost, unless the Company is satisfied beyond reasonable doubt that the original has been destroyed.

Application by a holder of Domestic Shares, who has lost his share certificate, for a replacement share certificate shall be dealt with in accordance with Article 144 of the Company Law.

Application by a holder of Overseas Listed Foreign Shares, who has lost his share certificate, for a replacement share certificate may be dealt with in accordance with the law of the place where the original register of shareholders of holders of Overseas Listed Foreign Shares is maintained, the rules of the stock exchange or other relevant regulations.

~~Where holders of Overseas Listed Foreign Shares of a company, which is listed in Hong Kong, apply for replacement of their certificates after losing their certificates, such replacement shall comply with the following requirements:~~

- ~~(1) The applicant shall submit an application to the Company in the prescribed form accompanied by a notarial certificate or a statutory declaration, of which the contents shall include the grounds upon which the application is made and the circumstances and evidence of the loss, and the declaration showing that no other person is entitled to have his name entered in the register of shareholders in respect of the Relevant Shares.~~
- ~~(2) The Company has not received any declaration made by any person other than the applicant declaring that his name shall be entered in the register of shareholders in respect of such shares before it decides to issue a replacement share certificate to the applicant.~~
- ~~(3) The Company shall, if it intends to issue a replacement share certificate, publish a notice of its intention to do so at least once every 30 days within a period of 90 consecutive days in such newspapers as may be prescribed by the Board of Directors.~~

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## APPENDIX IV      PROPOSED AMENDMENTS TO THE ARTICLES

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~~(4) The Company shall, prior to publication of its intention to issue a replacement share certificate, deliver to the stock exchange on which its shares are listed, a copy of the notice to be published and may publish the notice upon receipt of confirmation from such stock exchange that the notice has been exhibited in the premises of the stock exchange. Such notice shall be exhibited in the premises of the stock exchange for a period of 90 days.~~

~~In the case of an application which is made without the consent of the registered holder of the Relevant Shares, the Company shall deliver by mail to such registered shareholder a copy of the notice to be published.~~

~~(5) If, by the expiration of the 90-day period referred to in paragraphs (3) and (4) of this Article, the Company has not received any objection from any person in respect of the issuance of the replacement share certificate, it may issue a replacement share certificate to the applicant pursuant to his application.~~

~~(6) Where the Company issues a replacement share certificate pursuant to this Article, it shall forthwith cancel the original share certificate and record the cancellation of the original share certificate and issuance of a replacement share certificate in the register of shareholders accordingly.~~

~~(7) All expenses relating to the cancellation of an original share certificate and the issuance of a replacement share certificate shall be borne by the applicant and the Company is entitled to refuse to take any action until reasonable guarantee is provided by the applicant therefor.~~

~~Article 48 Where the Company issues a replacement share certificate pursuant to the Articles of Association, as for a bona fide purchaser obtaining new share certificates referred to above or a shareholder registered as a owner of the shares (in case of a bona fide purchaser), his name (title) shall not be removed from the register of shareholders.~~

~~Article 49<sup>38</sup> The Company shall not be liable for any damages sustained by any person from his cancellation of the original share certificate or the issuance of the replacement share certificate unless the Chairman is capable to prove that the Company has acted in a deceitful manner.~~

### CHAPTER 67 SHAREHOLDERS' RIGHTS AND OBLIGATIONS

~~Article 50<sup>39</sup> A shareholder of the Company is a person who lawfully holds shares in the Company and whose name (title) is entered in the register of shareholders.~~

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## APPENDIX IV            PROPOSED AMENDMENTS TO THE ARTICLES

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A shareholder shall enjoy rights and assume obligations according to the class and number of shares held by him; shareholders who hold shares of the same class shall enjoy the same rights and assume the same obligations.

Article ~~51~~40 The shareholders of ordinary shares of the Company shall enjoy the following rights:

- (1) the right to receive dividends and other distributions in proportion to their shareholdings;
- (2) the right to attend or appoint a proxy to attend shareholders' general meetings and to vote thereat;
- (3) the right to supervise the Company's business operations, the right to present proposals or raise queries;
- (4) the right to transfer, bestow, or pledge the shares held by it~~shares~~ in accordance with laws, administrative regulations and provisions of the Articles of Association;
- (5) the right to obtain relevant information in accordance with the Articles of Association, including:
  - i. the right to obtain a copy of the Articles of Association, subject to payment of costs;
  - ii. the right to inspect and copy, subject to payment of a reasonable fee:
    - A. all parts of the register of shareholders, but the Company should be allowed to close the register of shareholders in Hong Kong in accordance with Section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) when shareholders inspect the register of shareholders for H-shares;
    - ~~A.~~B. corporate bond stubs, minutes of shareholders' meetings, resolutions of board meetings, resolutions of supervisory board meetings, and financial accounting report.
    - ~~B.~~ ~~personal particulars of each of the Company's Directors, Supervisors, Managers and other senior management personnel, including:~~

- a. ~~present and former name and alias;~~
  - b. ~~principal address (place of residence);~~
  - c. ~~nationality;~~
  - d. ~~primary and all other part-time occupations and duties;~~
  - e. ~~identification documents and the numbers thereof.~~
- C. ~~status of the Company's share capital;~~
- D. ~~reports showing the aggregate par value, quantity, highest and lowest price paid in respect of each class of shares repurchased by the Company since the last accounting year as well as the aggregate amount paid by the Company for this purpose;~~
- E. ~~minutes of shareholders' general meetings.~~
- (6) in the event of the termination or liquidation of the Company, the right to participate in the distribution of remaining assets of the Company in accordance with the number of shares held;
- (7) other rights conferred by laws, administrative regulations and the Articles of Association.

The Company may not exercise any power to freeze or infringe in any other way the rights carried by any share held by any person who enjoys interests directly or indirectly merely for the reason that he has not disclose his interests to the Company.

If a shareholder requests access to the relevant information or information mentioned in the preceding Article, he/she shall provide the Company with written documents proving the type of shares held by him/her and the number of shares held by him/her, and the Company shall provide them upon the request of the shareholder after verifying his/her identity.

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Article ~~52~~41 The shareholders of ordinary shares of the Company shall assume the following obligations:

- (1) to abide by the Articles of Association of the Company;
- (2) to pay subscription money according to the number of shares subscribed and the method of subscription;
- (3) no withdrawal of shares, except as prescribed by rules and regulations;
- (4) no abuse of the rights as a shareholder to cause injury to the interests of the Company or other shareholders; no abuse of the independent legal entity of the Company and the limited liability of the shareholders to cause injury to the interests of the Company's creditors;
- (5) other obligations imposed by laws, administrative regulations and the Articles of Association.

Shareholders are not liable to make any further contribution to the share capital other than according to the terms which were agreed by the subscriber of the relevant shares at the time of subscription.

Where the abuse of the rights as a shareholder by a shareholder of the Company causes losses to the Company and other shareholders, such shareholder shall undertake joint liability for the debts of the Company. In the event of any material damage caused to the interest of the creditors of the Company arising from any abuse of the Company's independent legal person status and the limited liability of the shareholders by any shareholder to evade from debts, such shareholder shall be jointly and severally liable for the Company's debts.

Article ~~53~~42 In addition to the obligations imposed by laws and administrative regulations or required by the listing rules of the stock exchange on which the shares of the Company are listed, a controlling shareholder shall not exercise his voting rights in respect of the following matters in a manner prejudicial to the interests of all or part of the shareholders of the Company.

- (1) to exempt the responsibilities of a Director or Supervisor to act honestly in the best interests of the Company; (2) to approve the expropriation by a Director or Supervisor (for his own benefit or for the benefit of another person) of the Company's assets in any way, including (but not limited to) opportunities which are beneficial to the Company; (3) to approve the expropriation by a Director or Supervisor (for his own benefit or for the benefit of another person) of the individual interest of other shareholders, including (but not limited to) rights to distributions and voting rights (excluding a restructuring which has been submitted for approval by the shareholders in a general meeting in accordance with the Articles of Association).



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Article 43    The controlling shareholder and the de facto controller of the Company may not use their relationship to prejudice the Company’s interests and shall be liable for damages to the Company caused by the violation of this provision.

The controlling shareholder and the de facto controller of the Company shall have the duty to act in good faith towards the Company and public shareholders of the Company. The controlling shareholder shall strictly exercise its rights as a contributor in accordance with the laws and shall not take advantage of profit distribution, asset restructuring, external investment, capital appropriation and loan guarantee to the detriment of the legal interests of the Company and public shareholders. Nor shall it take the advantage of its controlling position to the detriment of the Company and public shareholders.

Article 454    A controlling shareholder is a shareholder whose shares account for more than fifty percent of the total share capital of the Company; a shareholder who holds less than fifty percent of the shares, but whose voting rights based on the shares he/she holds are sufficient to exercise significant influence on the resolution of the shareholders’ general meeting. For the purpose of the foregoing Article, a “controlling shareholder” means a person who satisfies any one of the following conditions:

a person who, acting alone or in concert with others, has the power to elect more than half of the Board of Directors;

a person who, acting alone or in concert with others, has the power to exercise 30% or more or has power to control the exercise of 30% or more of the voting rights in the Company;

a person who, acting alone or in concert with others, holds 30% or more of the issued and outstanding shares of the Company;

a person who, acting alone or in concert with others, has de facto control of the Company in any other way.

Article 45    If any resolution of a shareholders’ general meeting or board meeting of the Company runs against the laws and administrative regulations, shareholder(s) shall have the right to request the People’s Court to invalidate the said resolution.

If the convening procedure and voting method of a shareholders’ general meeting or board meeting runs against the laws and administrative regulations or the Articles of Association or if the content of any resolution runs against the Articles of Association, the shareholder(s) shall have the right to request the People’s Court to revoke the said procedure, method or resolution within sixty days from the date of the resolution being passed.

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Article 46    Where any director or senior management member violates laws and administrative regulations or the Articles of Association in performing their duties to the Company, thereby causing losses to the Company, the shareholder(s) severally or jointly holding 1% or more shares of the Company for a period of 180 consecutive days or more may request the supervisory committee in writing to initiate a lawsuit in the People's Court. Where the Supervisory Committee violates laws and administrative regulations or the Articles of Association in performing its duties to the Company, thereby causing losses to the Company, the shareholder(s) may request the Board of Directors in writing to initiate a lawsuit in the People's Court.

If the Supervisory Committee or the Board of Directors refuses to lodge a lawsuit after receipt of the aforesaid written request, or if it fails to initiate a lawsuit within thirty days after receipt of the said request, or if, an emergency occurs which would cause irretrievable damage to the interests of the Company a lawsuit is not lodged immediately, the aforementioned shareholder(s) prescribed in the preceding paragraph may lodge a lawsuit in the People's Court directly in their own name for the interest of the Company.

If any other person infringes upon the legitimate rights and interests of the Company, thereby causing losses to the Company, the shareholders prescribed in paragraph 1 of this Article may initiate a lawsuit in the People's Court pursuant to the preceding two paragraphs.

Article 47    If any director or senior management member damages shareholders' interests by violating laws, administrative regulations or the Articles of Association, the shareholders may lodge a lawsuit in the People's Court.

### CHAPTER 78 SHAREHOLDERS' GENERAL MEETINGS

Article ~~48~~<sup>55</sup>    The shareholders' general meeting is the organ of authority of the Company and shall exercise its functions and powers in accordance with laws.

Article ~~49~~<sup>56</sup>    The shareholders' general meeting shall exercise the following functions and powers;

- (1)    to decide on the Company's operation policies and investment plans;
- (2)    to elect and replace directors, who are not employees' representatives, and to determine the emoluments of directors;
- (3)    to elect and replace the supervisors who are not to be appointed from among the employees' representatives and decide on matters concerning the emolument of supervisors;
- (4)    to consider and approve reports of the Board of Directors;
- (5)    to consider and approve reports of the Board of Supervisors;

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- (6) to consider and approve the Company's annual financial budget and final accounts;
- (7) to consider and approve the Company's profit distribution proposals and loss recovery proposals;
- (8) to resolve on the increase or reduction of the Company's registered capital;
- (9) to resolve on ~~matters such as merger, division, dissolution, and liquidation~~ or change of company type of the Company;
- (10) to resolve on the issuance of debentures by the Company;
- (11) to resolve on the appointment, removal or non-renewal of the services of an accounting firm for the Company;
- (12) to amend the Articles of Association;
- (13) to consider and approve the change in the use of proceeds from fund raising ~~to consider proposals submitted by shareholders representing 3% or more of voting shares of the Company;~~
- (14) to consider share incentive plans and employee stock ownership plan;
- (15) to consider the acquisitions or disposals of substantial assets of the Company within a year the amount of which exceeds 30% of the latest audited total assets of the Company;
- ~~(13)~~(16) to consider and approve matters of guarantee that are subject to resolution by the shareholders' general meeting as stipulated in these Articles;
- ~~(14)~~(17) other matters which are required by laws, administrative regulations and the Articles of Association to be resolved by the shareholders' general meeting.

The shareholders' general meeting may delegate or entrust its matters to be handled by the Board of Directors.

Where the Company may delegate the Board of Directors to issues, upon approval by way of a special resolution at a general meeting, either separately or concurrently once every twelve months, domestic shares and overseas listed shares, to the extent that the number of the shares to be issued does not exceed twenty percent of the total number of the issued shares of their respective class.

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Article 50~~7~~ Unless the Company is in a crisis or other special circumstances, ~~The~~ the Company shall not enter into any contract with any person other than a Director, Supervisor, Manager or other senior management personnel of the Company whereby the management and administration of the whole or any substantial part of any business of the Company is to be handed over to such a person without the ~~prior~~ approval of shareholders by a special resolution in a general meeting.

Article 51 The following external guarantees shall be subject to consideration and approval by shareholders at a shareholders' general meeting.

- (1) any guarantee as provided after the total amount of external guarantees provided by the Company and controlled subsidiaries exceed 50% of the latest audited net assets;
- (2) any guarantee provided after the total amount of external guarantees provided by the Company exceeds 30% of the latest audited total assets;
- (3) any guarantee provided by the Company that exceeds 30% of the Company's latest audited total assets within one year;
- (4) any guarantee provided in favour of a party with an asset to liability ratio exceeding 70%;
- (5) any single guarantee the amount of which exceeds 10% of the Latest audited net assets;
- (6) any guarantee provided in favour of shareholders, the de facto controller or its connected parties.

Article 52~~8~~ Shareholders' general meetings can be annual general meetings or extraordinary general meetings. Shareholders' general meetings shall be convened by the Board of Directors. The annual general meeting shall be convened once each financial year, and shall take place within six months of the end of the previous accounting year.

The Board of Directors shall convene an extraordinary general meeting within two months after the occurrence of any one of the following circumstances:

- (1) where the number of Directors is less than the number stipulated in the Company Law or is no more than two-thirds of the number required by the Articles of Association;

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- (2) where the accrued losses of the Company amount to one-third of its total paid-in share capital;
- (3) where shareholder(s) singly or jointly holding 10% or more of the Company's issued and outstanding voting shares request(s) in writing for the convening of an extraordinary general meeting;
- (4) where the Board of Directors considers it necessary or the Board of Supervisors proposes to call for such a meeting;
- (5) other circumstances stipulated by laws, administrative regulations, departmental rules and the Articles of Association.

Article 53    The Company shall engage lawyers to attend the shareholders' general meeting and advise on the following issues:

- (1) whether or not the convening of the shareholders' general meeting and its procedures are in compliance with the laws, administrative regulations and the Articles of Association;
- (2) whether or not the qualifications of attendees and the convenor are lawful and valid;
- (3) whether or not the voting procedures and the voting results of the meeting are lawful and valid;
- (4) legal opinions on other matters as requested by the Company.

Article 54    Independent shareholders are entitled to propose to the Board of Directors to convene an extraordinary general meeting. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of an extraordinary general meeting within ten days upon receipt of such proposal. In the event that the Board of Directors agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within five days after the passing of the relevant resolution of the Board of Directors. In the event that the Board of Directors does not agree to convene an extraordinary general meeting, reasons for such disagreement shall be given in writing.

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Article 55    The Supervisory Committee shall be entitled to propose to the Board of Directors the convening of an extraordinary general meeting, provided that such proposal shall be made in writing. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of an extraordinary general meeting within ten days upon receipt of such proposal.

In the event that the Board of Directors agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within five days after the passing of the relevant resolution of the Board of Directors. Any change to the original proposal made in the notice requires approval of the Supervisory Committee.

In the event that the Board of Directors does not agree to convene an extraordinary general meeting or does not furnish any reply within ten days upon receipt of the said proposal, the Board of Directors shall be deemed as incapable of performing or failing to perform the duty of convening a general meeting, in which case the Supervisory Committee may convene and preside over the meeting on its own.

Article 56    Shareholders individually or collectively holding 10% or more of the Company's shares shall be entitled to propose the Board of Directors the convening of an extraordinary general meeting, provided that such proposal shall be made in writing. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within ten days upon receipt of such proposal.

In the event that the Board of Directors agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within five days after the passing of the relevant resolution of the Board of Directors. Any change to the original proposal made in the notice requires approval of the shareholders concerned.

In the event that the Board of Directors does not agree to convene an extraordinary general meeting or does not furnish any reply within ten days upon receipt of the said proposal, shareholders individually or collectively holding 10% or more of the Company's shares shall be entitled to propose to the Supervisory Committee the convening of the extraordinary general meeting, provided that such proposal shall be made in writing.

In the event that the Supervisory Committee agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within five days after the said proposal. Any changes to the original request made in the notice shall require approval of the shareholders concerned.

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Failure of the Supervisory Committee to issue the notice of the shareholders' general meeting within the prescribe time Limit shall be deemed as failure of the Supervisory Committee to convene and preside over a shareholders' general meeting, and shareholders individually or collectively holding 10% or more of the Company's shares for ninety consecutive days or more may convene and preside over the meeting on their own.

Article 57    Where the Supervisory Committee or shareholders decide(s) to convene an extraordinary general meeting by itself/themselves, it/they shall send out a written notice to the Board of Directors.

The shareholding of the convening shareholder(s) shall not be lower than 10% prior to the announcement of the resolutions of the shareholders' general meeting.

Article 58    The Board of Directors and the secretary to the Board of Directors shall cooperate with respect to shareholders' general meetings convened by the Supervisory Committee or shareholders at its/their own discretion. The Board of Directors shall provide the register of shareholders as of the date of shareholding confirmation.

Expenses arising from shareholders' general meetings convened by the Supervisory Committee or shareholders shall be borne by the Company.

Article 59    A written notice of an annual general meeting shall be given by way of announcement to each shareholder ~~45~~21 days (~~in~~excludesing the date of meeting, ~~but not includes~~ and the date of sending a notice, the same below) prior to the date of the general meeting and a notice in writing shall be given by way of announcement 15 days prior to the meeting for an extraordinary general meeting, the notice should include matters to be considered at the meeting, the date and place of the meeting to be held to the shareholder as recorded in the register of shareholders. ~~The shareholders who intend to attend the shareholders' meeting should give written replies to the Company 20 days before the date of the shareholders' meetings.~~

Article 60    The content of the proposal shall fall within the terms of reference of the shareholders' general meeting, have clear topics and specific resolutions, and be in compliance with the relevant provisions of laws, administrative regulations and these Articles.

When the Company holds a shareholders' annual general meeting, the Board of Directors, the Supervisory Committee and shareholders who individually or collectively hold more than 3% (including 3%) of the total number of voting shares of the Company shall have the right to submit new proposals in writing to the Company.

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Shareholder(s) individually or jointly holding more than 3% of the Company's shares may submit a provisional motion in writing to the convener ten days before the shareholders' general meeting is convened. The convener Company shall include in the agenda of that meeting those matters in the proposal that fall within the responsibility of the shareholders' general meeting.

Except for circumstances stipulated in the preceding paragraph, upon the announcement of the notice of shareholders' general meeting, the convener shall not amend the motions set out in the notice of shareholders' general meeting or insert new motions.

Proposals that are not specified in the notice of the shareholders' general meeting or do not comply with the provisions of these Articles shall not be voted on and resolved at the shareholders' general meeting.

~~Article 61 — Based on the written replies received 20 days before a shareholders' general meeting, the Company shall calculate the number of shares represented by the shareholders who have intention to attend the general meeting. Where the number of voting shares represented by those shareholders reaches half of the Company's total number of such shares, the Company may convene the shareholders' general meeting. Otherwise, the Company shall, within 5 days, inform the shareholders again of the motions to be considered, the date and place of the meeting by means of public announcement. After making the announcement, the shareholders' general meeting may be convened.~~

~~An extraordinary general meeting shall not decide on matters which are not specified in the notice.~~

Article 61~~2~~ A notice of the shareholders' general meeting shall include the following contents:

- (1) the time, place and duration of the meeting;
  - (2) the matters and motions raised for consideration at the meeting;
  - (3) a clear statement to state that: all shareholders are entitled to attend the shareholders' general meeting and entrust a proxy in writing to attend the meeting and vote, and that such proxy need not be a shareholder of the Company;
  - (4) the date of registration of equity entitlements for shareholders entitled to attend the shareholders' general meeting;
  - (5) the name and phone number of the permanent contact person for the meeting.
- ~~Notice of general meetings shall comply with the following requirements:~~



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- ~~(1) — issue in written format;~~
- ~~(2) — be in specific place, date and time of the meeting;~~
- ~~(3) — state the motions to be discussed at the meeting;~~
- ~~(4) — provide such information and description as are necessary for the shareholders to exercise an informed judgment on the proposals before them. Without limiting the generality of the foregoing, where a proposal is made to amalgamate the Company with another, to repurchase the shares of the Company, to reorganise its share capital, or to restructure the Company in any other manner, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such a proposal must be properly explained;~~
- ~~(5) — contain a disclosure of the nature and extent, if any, of material interests of any Director, Supervisor, Manager or other senior management personnel in the transaction proposed and the effect of the proposed transaction on him in his capacity as shareholder in so far as it is different from the effect on the other shareholders of the same class;~~
- ~~(6) — contain the full text of any special resolution proposed for the meeting;~~
- ~~(7) — contain a specific statement that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote on behalf of him and that a proxy need not be a shareholder;~~
- ~~(8) — state the time within which and the address to which the relevant instruments appointing the proxies for the meeting are to be delivered.~~

Article ~~62~~<sup>3</sup> The notice of general meeting shall be sent to the shareholders (with or without voting right in the general meeting) via specially assigned person or by prepaid mail and the address of receiver shall be the address recorded on the register of shareholders. For domestic shareholders, the notice of general meeting can also be sent by way of announcement.

The announcement referred to in the preceding paragraph shall be published on one or more newspaper designated by the competent authority of the State Council in charge of securities or on the official website of the Company at the time specified in Article 59 ~~60 of these Articles of Association~~ in a period between 45 days to 50 days before the meeting is held. Once it is announced in the public, the notice of shareholders' meeting shall be deemed as received by all domestic shareholders.

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Article 63    When notice of a shareholders' general meeting is dispatched, the shareholders' general meeting shall not be postponed or cancelled without proper reasons and the motions stated in the notice shall not be cancelled. In the event that the shareholders' general meeting was postponed or cancelled, the convener shall make an announcement at least two business days prior to the original date of the shareholders' general meeting and expatiate on the reasons.

Article 64    If a notice of meeting is accidentally omitted to be sent to any person who is entitled to receive the same or that person has not received such a notice of meeting, it will not cause the meeting and any resolution made therein to be void.

Article 65    Any shareholder entitled to attend and vote at a shareholders' general meeting of the Company shall be entitled to appoint one or more persons (who need not be a shareholder or shareholders) as his proxies to attend and vote on behalf of him. A proxy so appointed shall be entitled the following rights pursuant to authorisation by that shareholder:

- (1)    the shareholders' right to speak at the general meeting;
- (2)    the right to demand or join in demanding a poll;
- (3)    the right to vote by hand or on a poll, but when there are more than one proxy are appointed by a shareholder the proxies may only vote on a poll.

Article 66    The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a legal person, it shall be under seal or under the hand of a Director or attorney duly authorised. These letters of authorization shall contain the number of the shares to be represented by the proxies. If several persons are authorised as the proxies of the shareholder, the letter of authorisation shall specify the number of the shares to be represented by each proxy.

Article 67    The instrument appointing a proxy shall be deposited at the residence of the Company or at some other place specified for that purpose in the notice of meeting no later than 24 hours prior to the meeting at which the proxy is authorised to vote or 24 hours before the time specified for the voting. Where such an instrument is signed by a person under power of attorney on behalf of the appointor, that power of attorney or other authorisation documents shall be notarially certified. The notarially certified power of attorney and other authorisation documents shall, together with the instrument appointing the proxy, be deposited at the Company's residence or at some other place specified for that purpose in the notice of meeting.

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If the appointor is a legal person, its legal representative or such person as is authorized by resolution of its board of directors or other governing body may attend any general meetings of the Company as a representative of the appointor and vote in the meeting. If the legal person has appointed a representative to attend any meeting, it shall be treated as being present in person. The form of proxy may be executed under the hand of a duly authorised officer.

If the shareholder is the recognized clearing house (“recognized clearing house”) or its attorney as defined under the relevant laws and regulations of the place in which the Company’s securities are listed, such shareholder is entitled to appoint one or more persons as his proxies to attend on his behalf at a general meeting or at any class meeting and creditors meeting, but, if one or more persons have such authority, the letter of authorization shall contain the number and class of the shares in connection with such authorization. Such person can exercise the right on behalf of the recognized clearing house (or its attorney) as if he is the individual shareholder of the Company and shall have the right to speak and to vote in the meeting.

Article 68    Any form issued to a shareholder by the Board of Directors for use by him for appointing a proxy to attend and vote at a shareholders’ general meeting of the Company shall be such as to enable the shareholder, according to his intention, to instruct the proxy to vote in favor of or against each resolution dealing with business to be transacted at the meeting. Such a form should contain a statement that in default of instructions whether the proxy may vote as he thinks fit.

Article 69    A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or loss of capacity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given has occurred prior to the voting, provided that no notice in writing of such death, loss of capacity, revocation or transfer shall have been received by the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.

Article 70    A proxy attending a shareholders’ general meeting shall present his identity certification and the proxy form signed by the appointor or the legal representative of the appointor or a person authorised by the appointer, and the proxy form shall specify the issue date. (If a shareholder as a legal person appoints its legal representative to attend a meeting, such legal representative shall present his identity certification (except the recognized clearing house or its attorney) and a notarially certified copy of the resolutions of such shareholder’s (except the recognized clearing house or its attorney) board of directors or other authorities in respect of the appointment of the proxy or any other copy certified in a manner accepted by the Company.)

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Article 71    When the Company convenes a shareholders' general meeting, all directors, supervisors and the secretary to the Board of Directors shall attend the meeting while managers and other senior management members shall attend the meeting as non-voting attendees.

The directors, supervisors and senior executives shall give explanations and make responses to the inquiries and suggestions made by shareholders at the shareholders' general meeting.

Article 72    In the annual general meeting, the Board of Directors and Board of Supervisors shall report to the shareholders' general meeting on their respective work over the past year. Each independent director shall also report their duties accordingly.

Article 73    Prior to voting, the chairperson of the shareholders' general meeting shall announce the number of shareholders and proxies present and the total number of voting shares held by them. The number of shareholders and proxies present and the total number of voting shares held by them shall be as stated in the registration of the meeting.

Article 74    Resolutions of a shareholders' general meeting can be ordinary resolutions or special resolutions.

An ordinary resolution of a shareholders' general meeting shall be passed by an affirmative vote of a majority ~~more than half~~ of the Company's total voting shares being held by the shareholders who are present at the meeting (including proxies).

A special resolution of a shareholders' general meeting shall be passed by an affirmative vote of more than two-thirds of the Company's total voting shares being held by the shareholders who are present at the meeting (including proxies).

The shares of the Company held by the Company carry no voting rights and shall not be counted into the total number of shares with voting rights held by shareholders attending the meeting.

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## APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES

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Shareholders shall have the right to (1) speak at a general meeting; and (2) vote at a general meeting, except where a shareholder is required, by the Rules Governing the Listing of Securities on the GEM of the Hong Kong Stock Exchange (or refer to the “Listing Rule”), to abstain from voting to approve the matter under consideration. The shareholders (including their proxy) attending the meeting shall clearly show approval, ~~or objection or abstention to every matter to be voted on~~, except for the securities registration and settlement institutions which, being the nominal holders of shares under Stock Connect between the Mainland and Hong Kong, shall make declarations according to the intentions of the beneficial holders. As for the unpolled vote or abstention, the Company will not treat it as the vote with voting right when calculating the voting result of this matter. Where any Shareholder is, under the Listing Rules, required to abstain from voting on any matters under consideration or restricted to voting only for or only against any matters under consideration, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction will not be counted.

For voter(s) whose voting slips are left blank, incorrectly completed, illegible or without vote casting, such voter(s) shall be deemed to have waived his voting rights, and the votes in respect of the number of shares held by him shall be counted as “abstain”.

Article 75~~2~~ Shareholders (including proxies) who vote at the shareholders’ general meeting shall exercise their voting rights in relation to the amount of voting shares they represent. Each share carries the right to one vote.

~~Article 73—At any shareholders’ general meeting, a resolution shall be passed on a show of hands unless a poll is demanded before or after a vote is carried out by a show of hands:~~

- ~~(1) — by the chairman of the meeting;~~
- ~~(2) — by at least two shareholders present in person or by proxy entitled to vote thereat;~~
- ~~(3) — by one (1) or more shareholders present in person or by proxy and representing 10% or more of all shares carrying the right to vote at the meeting singly or in aggregate.~~

~~Unless a poll is demanded, a declaration by the Chairman of the meeting that a resolution has been passed on a show of hands and the record of such in the minutes of the meeting shall be conclusive evidence of the fact that such resolution has been passed. There is no need to provide evidence of the number or proportion of votes for or against such resolution.~~

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

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## APPENDIX IV            PROPOSED AMENDMENTS TO THE ARTICLES

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~~Article 74~~ A poll demanded on the election of the Chairman of the meeting, or on a question of adjournment of the meeting, shall be taken forthwith. A poll demanded on any other matters shall be taken at such time as the Chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

Article 765 On a poll taken at a meeting, a shareholder (including a proxy) entitled to two or more votes need not cast all his votes in the same way.

~~Article 76~~ In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall have a casting vote.

Article 77 The following matters shall be resolved by an ordinary resolution at a shareholders' general meeting:

- (1) work reports of the Board of Directors and the Supervisory Committee;
- (2) profit distribution proposals and loss recovery proposals formulated by the Board of Directors;
- (3) appointment and removal of members of the Board of Directors and Supervisors, their emolument and manner of payment;
- (4) removal of any director before the expiration of his term of office (including managing directors or other executive directors);
- (5) annual preliminary and final budgets, ~~balance sheets and profit and loss accounts and other financial statements~~ annual report of the Company; and
- (6) matters other than those required by laws and administrative regulations or by the Articles of Association to be adopted by special resolution.

However, the removal under paragraph (4) above shall be without prejudice to the Director's claim for damages under any contract.

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## APPENDIX IV      PROPOSED AMENDMENTS TO THE ARTICLES

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Article 78    The following matters shall be resolved by a special resolution at a shareholders' general meeting:

- (1)    increase or reduction of the Company's share capital and the issuance of shares of any class, warrants and other similar securities;
- (2)    the issue of debentures of the Company;
- (3)    the division, spin-off, merger, dissolution and liquidation of the Company, change of corporate form and major acquisitions and disposals;
- (4)    amendments to the Articles of Association;
- (5)    share incentive scheme;
- (6)    purchase, disposal of material assets or provision of guarantee within one year, the amount of which exceeds 30% of the latest audited total assets of the Company;
- ~~(2)~~ any other matters required by the laws, administrative regulations and the Articles of Association, and
- ~~(4)~~(7) other matters which, according to an ordinary resolution of the shareholders' general meeting, may have a significant impact on the Company and require adoption by means of a special resolution.

Article 79    When the general meeting examines the items related to connected transactions, the connected shareholders shall abstain from voting. The number of the shares with voting rights held by the connected shareholders shall not be counted as the valid ballots cast; the resolution made by the general meeting shall fully disclose the voting details of the unconnected shareholders. Should there be special circumstances under which the connected shareholders cannot avoid voting, the Company shall vote in accordance with normal procedures, and detailed clarifications shall be made in the announcement of the resolution.

Article 80    The list of candidates for directors and supervisors shall be submitted by way of a motion to the shareholders' general meeting for voting.

In the course of the election of directors and supervisors, the accumulative voting mechanism may be implemented in accordance with the Articles of Association or the resolution of the shareholders' general meeting.

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## APPENDIX IV            PROPOSED AMENDMENTS TO THE ARTICLES

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Under the accumulative voting mechanism referred to in the preceding paragraph, each share carrying voting right is entitled to such number of votes equivalent to the number of director and supervisor candidates, and a shareholder may concentrate his voting rights. The Board of Directors shall make an announcement to the shareholders concerning the biographies and general information of the candidates for directors and supervisors.

Article 81 Save and except for the cumulative voting system, all resolutions shall be voted item by item at a shareholders' general meeting, and shall be voted in chronological order according to the time of proposal when various proposals are put forward concerning the same issue. Except under special circumstances such as force majeure which lead to the suspension or inability to pass resolutions at a shareholders' general meeting, proposals shall not be set aside or rejected from voting at a shareholders' general meeting.

Article 82 No amendment shall be made on the proposals during the consideration at a shareholders' general meeting. Any such amendments to a proposal shall be deemed as a new proposal and shall not be voted at the current shareholders' general meeting.

Article 83~~0~~ Any resolution adopted by a shareholders' general meeting shall comply with relevant provisions of PRC laws, administrative regulations and the Articles of Association.

~~Article 81 Shareholders requiring to convene an extraordinary general meeting or a class general meeting shall proceed in accordance with the following procedure:~~

~~(1) two or more shareholders holding 10% or more of the shares carrying the right to vote at the meeting sought to be held may, by signing one or more counterpart written requisitions stating the object of the meeting, require the Board of Directors to convene an extraordinary general meeting or a class general meeting. The Board of Directors shall as soon as possible proceed to do so. The shareholdings referred to shall be calculated as at the date of the delivery of the requisitions;~~



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## APPENDIX IV                      PROPOSED AMENDMENTS TO THE ARTICLES

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~~(2) if the Board of Directors fails to issue a notice of such a general meeting within 30 days from the date of the receipt of the written requisition, the requisitionists may themselves convene such a meeting in a manner as nearly as possible as where meetings are to be convened by the Board, provided that any meeting so convened shall not be convened after four months from the date of receipt of such requisition by the Board.~~

~~Any reasonable expenses incurred by the requisitionists by reason of the failure of the Directors duly to convene a meeting shall be borne by the Company and shall be set off against any sums owed to the Directors in default by the Company.~~

Article 842 A shareholders' general meeting shall be chaired by the Chairman. In the event that the chairman is unable to or fails to perform his duties, the vice-chairman (if there are two or more vice-chairmen, the one jointly elected by more than half of the directors shall chair the meeting) shall chair the meeting. In the event that the vice-chairman is also unable to or fails to perform his duties, a director jointly elected by more than half of the directors shall chair the meeting.

A shareholders' general meeting convened by the Supervisory Committee on its own shall be chaired by the chairman of the Supervisory Committee. In the event that the chairman is unable to or fails to perform his duties, a supervisor jointly elected by more than half of the supervisors of the Company shall chair the meeting.

A shareholders' general meeting convened by shareholders on their own shall be chaired by a representative elected by the convenor.

During a shareholders' general meeting, in the event that the chairman of the meeting violates the rules of procedure so that the shareholders' general meeting cannot proceed, a person may be elected as the chairman of the meeting thereat to proceed with the meeting with the consent of the shareholders with a majority of the voting rights present at the meeting. A shareholders' general meeting shall be convened by the Chairman of the Board of Directors who shall preside as chairman of the meeting. If the Chairman is unable to attend the meeting for any reason, the Deputy Chairman of the Board of Directors shall convene and take the chair of the meeting. If both the Chairman and Deputy Chairman of the Board of Directors are unable to attend the meeting, then a Director of the Company shall be recommended by the Board of Directors to convene and take the chair of the meeting. If a chairman has not been designated, shareholders attending the meeting may elect a person to act as chairman of the meeting. If for any reason the shareholders cannot elect a chairman, the shareholder with the greatest number of voting shares present at the meeting whether in person or by proxy shall act as chairman of the meeting.

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## APPENDIX IV            PROPOSED AMENDMENTS TO THE ARTICLES

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Article 85    Voting at the shareholders' general meeting shall record the names of the voters.

Article 86    Two shareholders' representatives shall be elected to participate in counting and scrutinizing ballots before a shareholders' general meeting puts a proposal to vote. Where a shareholder has a connected relationship to matters to be considered, relevant shareholders and their proxies must not participate in counting and scrutinizing ballots.

When a proposal is voted upon at a shareholders' general meeting, lawyers, shareholders' representatives and supervisors shall be responsible for counting and scrutinizing ballots and announce the voting results on the spot, which will be recorded in the minutes of the meeting.

Before the formal announcement of the voting results, the companies, tellers, scrutineers, substantial shareholders, meeting service provider and other relevant parties involved in the on-the-spot voting and other means of voting shall be under confidentiality obligation in relation to the voting.

~~Article 83~~    ~~The chairman of the meeting shall be responsible for deciding whether or not a resolution has been passed. His decision shall be final and shall be announced at the meeting and recorded in the minutes.~~

Article 874    Should the chairman of the meeting has any doubts on the result of vote cast on any resolution, he should order a count on the ballots cast; should the chairman has yet to conduct a ballot count, any participating shareholders or proxies with dissenting view on the announced voting result have the right to request a ballot count immediately after the announcement, and the chairman of the meeting should order ballot count immediately.

Article 885    Where a counting of the votes has been conducted at a shareholders' general meeting, the results shall be recorded in the minutes.

Minutes of shareholders' general meetings shall be recorded by the board secretary.

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## APPENDIX IV      PROPOSED AMENDMENTS TO THE ARTICLES

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The minutes shall contain the following items:

- (i) the date, place and agenda of the meeting, and the name of the convener;
- (ii) the name of the chairperson of the meeting, and the names of directors, supervisors, managers and other senior executives of the Company present or in attendance at the meeting;
- (iii) the number of shareholders and proxies attending the meeting, the total number of their voting shares and their respective proportions to the total number of shares of the Company;
- (iv) the proceeding of examination of each motion, summary of the points discussed and results of voting;
- (v) questions and proposals put forward by shareholders and the answers or explanation thereof;
- (vi) names of lawyers and vote-counters and scrutineers;
- (vii) such other matters as shall be recorded in the minutes of meetings pursuant to the Articles of Association.

~~The Company Secretary shall make the record of decisions on matters discussed at the shareholders' general meeting, which shall be signed by Directors attending the meeting.~~

~~Resolutions adopted by a shareholders' general meeting shall be included in the minutes of the meeting. The record and minutes of the meeting shall be in Chinese. Such record and minutes, shareholders' attendance lists and proxy forms shall be kept at the Company's residence.~~

Article 89    The convener shall ensure that the contents of the minutes of meetings are authentic, accurate and complete. Directors, supervisors, the board secretary, the convener or his/her representative and the chairperson of meeting present at the shareholders' general meeting shall sign on the minutes of the meeting. Minutes of meetings shall be kept together with the attendance list for shareholders and authorization letters given for proxies, and valid information concerning exercise of voting rights. The period of maintaining such records shall be ten years.

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## APPENDIX IV      PROPOSED AMENDMENTS TO THE ARTICLES

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Article 86 — Copies of the minutes of any shareholders' meeting shall, during business hours of the Company, be open for inspection by any shareholder without charge. If a shareholder requests for a copy of such minutes from the Company, the Company shall send a copy of such minutes to him within 7 days after receipt of reasonable fees therefor.

### ~~CHAPTER 9 SPECIAL PROCEDURES FOR VOTING BY CLASSIFIED SHAREHOLDERS~~

Article 87 — Holders of various classes of shares are referred to classified shareholders:

Classified shareholders shall have rights and assume obligations in accordance with laws, regulations and the Articles of Association.

Article 88-90 ~~Any proposal by the Company to vary or abrogate the rights conferred on any classified shareholders must be approved by a special resolution of the shareholders' general meeting and by the classified shareholders affected at a separate meeting convened in accordance with Articles 90 to 94. The rights of class Shareholders to be changed or abolished by the Company shall be passed by a special resolution of class Shareholders at a separate general meeting before proceeding when the Company's share capital is divided into different classes of shares.~~

Article 89 — The rights of classified shareholders are deemed to be varied or abrogated in the following circumstances:

- (1) — the increase or decrease of the number of shares of such class, or the increase or decrease of the number of shares of a class having voting or equity rights or privileges equal or superior to the shares of such class;
- (2) — the exchange of all or part of the shares of such class into shares of another class, or the exchange of all or part of the shares of another class into the shares of such class, or conferring such rights of exchange;
- (3) — the removal or reduction of rights to accrued dividends or cumulative dividends attached to shares of such class;
- (4) — the reduction or removal of a dividend preference or a liquidation preference attached to shares of such class;
- (5) — the increase, reduction or removal of conversion privileges, options, voting rights, transfer or pre-emptive rights or rights to acquire securities of the Company attached to shares of such class;

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- ~~(6) the removal or reduction of rights to receive amounts payable by the Company in particular currencies attached to shares of such class;~~
- ~~(7) the creation of a new class of shares having voting or equity rights or other privileges equal or superior to the shares of such class;~~
- ~~(8) the imposition of restrictions or additional restrictions on the transfer of ownership of the shares of such class;~~
- ~~(9) the issue of rights to subscribe for, or convert into, shares of such class or another class;~~
- ~~(10) the increase in rights or privileges of shares of another class;~~
- ~~(11) the restructuring of the Company which will result in shareholders of different classes bearing a disproportionate burden of such proposed restructuring;~~
- ~~(12) the variation or abrogation of the provisions of Chapter 9 hereof.~~

~~Article 90 Shareholders of the affected class, whether or not otherwise having the right to vote at general meetings, shall nevertheless have the right to vote at classified shareholders' meeting in respect of matters concerning Articles 89 (2) to (8) and (11) to (12), but Interested Shareholders shall not be entitled to vote at classified shareholders' meeting.~~

~~"Interested Shareholder" referred to in the preceding paragraph has the following meaning:~~

- ~~(1) in the case of a repurchase by a general offer made to all shareholders in equal proportions or through open transactions on a stock exchange under Article 30 of this Articles of Association, a Controlling Shareholder within the meaning of Article 54 of this Articles of Association is an Interested Shareholder;~~
- ~~(2) in the case of a repurchase of shares by contract made outside the stock exchange under Article 30 of this Articles of Association, a holder of the shares to which the contract relates is an Interested Shareholder; or~~
- ~~(3) in the case of a restructuring of the Company, a shareholder within a class who bears less than a proportionate burden imposed on that class under the proposed restructuring or who has an interest in the proposed restructuring different from the interest of shareholders of that class is an Interested Shareholder.~~

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## APPENDIX IV      PROPOSED AMENDMENTS TO THE ARTICLES

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~~Article 91 — Resolution of any classified shareholders' meeting shall be passed by votes of not less than two-thirds of the voting rights of shareholders of that class represented at that meeting who, according to Article 90, are entitled to vote at classified shareholders' meeting.~~

~~Article 92 — A written notice of a class meeting shall be given to all shareholders who are registered as holders of that class in the register of shareholders 45 days before the date of the class meeting (including the date of meeting). Such notice shall give such shareholders notice of the matters to be considered at such meeting, the date and the place of the class meeting. A shareholder who intends to attend the class meeting shall deliver his written reply in respect thereof to the Company 20 days before the date of the class meeting.~~

~~Where the number of voting shares represented by those shareholders intending to attend the meeting reaches not less than half of the total number of voting shares of that class, the Company may convene the class meeting. Otherwise, the Company shall, within 5 days, inform the shareholders again of the matters to be considered and the date and place of the meeting by means of an announcement. After making the announcement, the class meeting may be convened.~~

~~Article 93 — Notices of classified shareholders' meeting need only be served on shareholders entitled to vote thereat.~~

~~Meetings of any class of shareholders shall be conducted as nearly as possible as shareholders' general meetings. Provisions in the Articles of Association which relate to any meeting of shareholders shall apply to any meeting of a class of shareholders.~~

~~Article 94 — In addition to holders of other classes of shares, holders of Domestic Shares and Overseas Listed Foreign Shares are deemed to be shareholders of different classes.~~

~~The special procedure for approval by classified shareholders shall not apply:~~

- ~~(1) — where the Company issues, either separately or concurrently, Domestic Shares and Overseas Listed Foreign Shares in numbers not exceeding 20% of the number of Domestic Shares and Overseas Listed Foreign Shares then in issue respectively in any 12-month period as approved by a special resolution of a shareholders' general meeting; or~~

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## APPENDIX IV                      PROPOSED AMENDMENTS TO THE ARTICLES

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~~(2) where the plan for issuance of Domestic Shares and Overseas Listed Foreign Shares upon the establishment of the Company is completed within 15 months from the date of approval by the securities regulatory authority of the State Council.~~

### CHAPTER ~~810~~ BOARD OF DIRECTORS

Article 915 The Company shall have a Board of Directors. The Board of Directors shall consist of at least nine directors and there shall be one (1) Chairman and two (2) Vice-chairmen.

The Board of Directors shall have executive directors, non-executive directors and independent non-executive directors.

The external directors (meaning those who do not hold any positions within the Company and carrying the same meaning below) shall make up more than half of members of the Board of Directors, of which one-third ~~three (3)~~ shall be independent (non-executive) directors (meaning directors who are independent from the Company's shareholders and do not hold any positions within the Company).

Article 926 Directors shall be elected at the shareholders' general meeting each for a term of three years. At the expiry of a director's term, the term is renewable upon re-election.

~~The written notices in relation to the intention of a person to be nominated for election as a director and the indication of such person's willingness to accept the nomination shall be lodged to the Company after the day on which the notice of the shareholders' general meeting is dispatched and at least 7 days prior to the date of such meeting.~~

~~Candidates for the first session of the Board of Directors shall be nominated by the Sponsors of the Company and elected at the Company's inaugural meeting. The number of directors elected for each subsequent Board of Directors shall not be less than that stipulated in Article 95 or more than the maximum number determined at the shareholders' general meeting by an ordinary resolution. Where the number of directors elected by voting exceeds the maximum number of directors proposed, directors shall be appointed according to the maximum number proposed and on the basis that those who get the highest votes shall be appointed.~~

Subject to the relevant laws and administrative regulations, the shareholders' general meeting may remove any Director by ordinary resolution prior to the expiration of such Directors' term, but without prejudice to any claim for damages which such Director may have under any contract.

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## APPENDIX IV            PROPOSED AMENDMENTS TO THE ARTICLES

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The Chairman and Deputy Chairman of the Board of Directors is elected and removed by a majority of all the Directors. The Chairman and Deputy Chairman and of the Board of Directors and the Directors shall be appointed for a term of three years, and may serve consecutive terms if re-elected.

Independent non-executive directors of the directors shall meet the following requirements:

- (1) independent of shareholders of the Company;
- (2) not in office within the Company; and
- (3) one of the independent non-executive directors shall possess appropriate professional qualifications and expertise in accounting or financial management in compliance with the Listing Rules;
- ~~(3)~~(4) other laws and regulations, regulatory documents and other conditions stipulated in this Article.

External directors shall have sufficient time and requisite expertise to perform their duties. The Company shall provide the necessary information to enable the external directors to perform their duties. ~~Independent (non-executive) Directors may report directly to the shareholders' general meeting, the securities regulatory authorities of the State Council and other relevant departments.~~

Directors other than external directors and independent non-executive directors may hold office of other senior management of the Company (except supervisors). However, the total number of directors serving the office of manager or other senior management personnel concurrently and labour union representative holding the office of director shall not exceed half of the total number of directors of the Company.

Directors are not required to hold shares in the Company.

Article 93 A director will be deemed to have failed to perform his duties if he fails to attend Board meetings in person twice consecutively and does not appoint other directors to attend on his behalf. The Board of Directors shall make recommendations to shareholders' general meetings to replace such director.



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## APPENDIX IV            PROPOSED AMENDMENTS TO THE ARTICLES

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Article 94    Directors may request to resign prior to the expiry of their term of office. The resigning director shall submit a written resignation to the Board of Directors.

If any director resigns such that the membership of the Board of Directors falls short of the number of directors required, such director shall continue to fulfill his/her duties as director pursuant to laws, regulations and these articles of association until a new director is elected.

Save as provided in the preceding paragraph, the resignation of a director shall be effective when his/her resignation is served to the board of directors.

Article 95    When a director's resignation becomes effective or his or her term of office expires, he or she shall duly carry out all handover procedures with the Board of Directors, his or her fiduciary obligations to the Company and shareholders shall not necessarily terminate by the time his or her term of office ends, and shall remain effective within a reasonable period as specified in the Articles of Association.

Article 96    No director shall act on behalf of the Company or the Board of Directors in his personal capacity, unless specified under the Articles of Association or legally authorized by the Board of Directors. In the event that a director is acting in his personal capacity, but may be reasonably deemed to be acting on behalf of the Company or the Board of Directors by a third party, such director shall state his stance and capacity in advance.

Article 97    Independent directors shall have the duty to act in good faith and conduct due diligence for the benefit of the Company and all its shareholders. An independent director shall perform his duties independently and not be affected by the Company's substantial shareholders or other entities or individuals that are interested in the Company in accordance with the requirements of relevant laws and regulations and this Article, to protect the interests of the Company as a whole, especially protecting the legal interests of minority shareholders.

Article 98    The Board of Directors, Board of Supervisors or shareholder or shareholders holding 1% of more of the issued share capital of the Company may nominate candidates for independent directors and be elected at the general meeting.

Article 99    Independent directors shall have the same term of office as other directors of the Company. The term of office of an independent director is renewable upon re-election when it expires, but no independent director shall serve more than six years.

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## APPENDIX IV            PROPOSED AMENDMENTS TO THE ARTICLES

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Article ~~9~~1007 The Board of Directors shall be accountable to the shareholders' general meeting and shall exercise the following functions and powers:

- (1) to convene shareholders' general meetings and to report on its work to the shareholders' general meeting;
- (2) to implement resolutions of the shareholders' general meeting;
- (3) to decide on the Company's operating plans, ~~and~~ investing and financing proposal ~~and the external guarantees of the Company;~~
- (4) to formulate the Company's annual financial budget and final accounts;
- (5) to formulate the Company's profit distribution proposals and loss recovery proposal;
- (6) to formulate ~~the Company's debt and financial policies,~~ proposals for the increase or reduction of the Company's registered capital ~~and,~~ the issuance of the Company's debentures or other securities and listing;
- (7) to draw up the Company's material acquisition and disposal proposals and plans for the merger, division, dissolution or liquidation of the Company and change of corporate form;
- (8) Subject to the scope of authorization of the shareholders' general meeting, to ~~decide on matters including the Company's overseas investment, purchase and disposal of assets, charging of assets, matters in relation to external guarantee, commissioned wealth management, connected transactions, and external donations;~~
- (9) to decide on the Company's internal management structure;
- (10) to appoint or dismiss the manager of the Company ~~according to nominations of the Chairman,~~ to appoint or dismiss the deputy manager and financial controller of the Company according to nominations of the manager of the Company and to determine their remuneration;
- (11) to set up the basic management system of the Company, including the financial management and human resources management systems;
- (12) to formulate proposals for any amendment of the Company's Articles of Association;

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## APPENDIX IV      PROPOSED AMENDMENTS TO THE ARTICLES

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- ~~(13) manage the issues relating to information disclosure;~~
- ~~(14) propose the appointment or replacement of the accounting firm responsible for the auditing of the Company at the shareholders' general meeting;~~
- ~~(15) listen to the work report of the general manager and evaluate the work;~~
- ~~to submit the proposals for application of bankruptcy of the Company;~~
- ~~to appoint operation and legal consultants of the Company;~~
- ~~to determine other major and administrative businesses, other than those required to be determined at general meetings under the Company Law and the Articles of Association, and to sign other significant agreements;~~
- ~~(16) to exercise such other authorities as conferred by the laws and regulations general meetings and under the Articles of Association.~~

~~Other than the Board of Directors' resolutions in respect of the matters specified in sub-paragraphs (6), (7) and (11) of this Article which shall be passed by the affirmative vote of more than two-thirds of all the Directors, the Board of Directors' resolutions in respect of all other matters may be passed by the affirmative vote of a simple majority of the directors.~~

~~These resolutions adopted by the Board with regard to the connected transactions of the Company shall not be valid unless they are backed by the signature of the Independent (non-executive) Directors.~~

~~Article 98 The Board of Directors shall not, without the prior approval of shareholders in a general meeting, dispose or agree to dispose of any fixed assets of the Company where the sum of estimated value of the fixed assets to be disposed of and the value of such fixed assets disposed of within 4 months immediately preceding the proposed disposition exceeds 33% of the value of fixed assets shown in the latest balance sheet considered by a general meeting.~~

~~For the purposes of this Article, "disposition" includes an act involving the transfer of interests in assets, but excludes the provision of guarantee by fixed assets.~~

~~The validity of a disposition of fixed assets made by the Company shall not be affected by any breach of the first paragraph of this Article.~~

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## APPENDIX IV            PROPOSED AMENDMENTS TO THE ARTICLES

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Article ~~101~~<sup>99</sup> The Chairman of the Board of Directors shall exercise the following functions and powers:

- (1) to preside over general meetings and convene and preside over Board meetings;
- (2) to review on the implementation of resolutions passed by the Board of Directors;
- ~~(3) to sign the securities certificates issued by the Company;~~
- ~~(4)~~<sup>(3)</sup> to exercise other functions and powers granted by the Board of Directors.

The vice chairman of the Company shall assist the chairman in performing his duties. If the chairman is unable or fails to perform his duties, such duties shall be performed by the vice chairman (if there are two or more than two vice chairmen, such duties shall be performed by the vice chairman jointly elected by the majority of the directors). If the vice chairman is unable or fails to perform his duties, a director shall be elected jointly by more than half of the directors to perform such duties.

~~When the Chairman is not available to exercise his functions and powers, he can assign a Deputy Chairman to exercise such functions and powers on his behalf.~~

Article ~~102~~<sup>0</sup> The meetings of the Board of Directors shall be held at least twice every year and shall be convened by the Chairman of the Board of Directors. All of the directors and supervisors shall be notified in writing about the meeting 10 days beforehand. ~~Where there is an urgent matter, a~~<sup>An</sup> extraordinary meeting of the Board of Directors may be held upon requisition by the shareholders representing more than one tenth of the voting rights, more than one third of the Directors ~~or the General Manager~~ and by the Supervisory Committee, ~~not subject to the provisions of Article 101 on notice of the meetings.~~ The Chairman of the Board shall convene and preside over the meeting of the Board of Directors within 10 days upon the receipt of the requisition.

The Board shall notify all directors and supervisors in writing or by telephone three days prior to the convening of the provisional Board meetings. In case of emergency, the aforementioned time limit for notification may be waived. The meetings of the Board of Directors shall be held in the place of incorporation of the Company in principle and may be held in other parts of the territory of the PRC in accordance with the resolution of the Board of Directors.

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## APPENDIX IV      PROPOSED AMENDMENTS TO THE ARTICLES

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~~The language used at the meeting of the Board of Directors shall be Chinese. Where necessary, interpreters may attend the meeting to provide simultaneous interpretation service between Chinese and English languages.~~

Article 104~~3~~ Notice of meeting of the Board of Directors shall contain:

- (1) date and place of the meeting;
- (2) duration of the meeting;
- (3) reasons for and discussion topics of the meeting;
- (4) date of issuance of the notice. ~~Notice of meetings and extraordinary meetings of the Board of Directors shall be delivered as follows:~~

~~(1) For regular meetings of the Board of Directors of which the time and venue have been stipulated by the Board of Directors beforehand, no notice of the convening of such meetings will be needed.~~

~~(2) For meetings of the Board of Directors of which the time and venue have not been decided by the Board of Directors beforehand, the Chairman of the Board of Directors shall notify the Directors of the time and venue of such meeting at least 10 days and at most 30 days in advance by telex, by telegram, by fax, by express delivery service or by registered mail or in person, unless otherwise provided for in Article 100.~~

~~(3) Notice of meetings shall be served in Chinese, with an English translation attached thereto when necessary, and in each case accompanied with a meeting agenda. A director may waive his right to receive the notice of a Board meeting.~~

Article 104~~2~~ All the Executive Directors and external Directors shall be notified the important matters that must be resolved by the Board of Directors within the period stipulated in Article 102~~4~~, and be provided sufficient information at the same time. Such important matters shall be implemented in strict compliance with the required procedures. The Directors may request for supplementary information. Upon more than one-~~fourth~~second of the attending Directors or more than 2 independent ~~external~~ Directors consider that the information provided is not sufficient or the demonstration is not clear, they may jointly propose to postpone the convening of the Board meeting or the consideration of certain matters of the agenda of the Board meeting, and the Board of Directors shall accept such proposal.

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## APPENDIX IV      PROPOSED AMENDMENTS TO THE ARTICLES

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Notice of a meeting shall be deemed to be served to any Directors who attend the meeting without protesting against any lack of notice before or at its commencement.

Any regular or extraordinary meeting of the Board of Directors may be held by telephone conferencing or similar communication equipment. As long as all Directors participating in the meeting can hear and communicate clearly with each other, all such Directors shall be deemed to be present in person at the meeting.

Article 105~~3~~ A Board meeting shall be held only if more than half of the Directors (~~including any Directors appointed pursuant to Article 104 to attend the meeting as the representatives of other Directors~~) are present.

Each Director has one (1) vote. Any resolution requires the affirmative votes of more than half of all Directors in order to be passed. ~~In the case of equal division of votes, the Chairman of the Board of Directors is entitled to a casting vote.~~

Article 106~~4~~ Directors shall attend the Board meetings in person. Where a Director is unable to attend a meeting for any reason, he may appoint another Director in written power of attorney to attend the Board meeting on his behalf. The power of attorney shall set out the authorisation scope.

The Director so appointed as an attorney of another Director to attend the meeting shall exercise the rights of a Director within the authorisation scope. Where a Director doesn't attend or appoint an attorney to attend a Board meeting on his behalf, he shall be deemed to waive his voting right at the meeting.

Expenses incurred by a Director for attending a Board meeting shall be paid by the Company. These expenses include the costs of transportation between the premises of the Director and the venue of the meeting in different cities and accommodation expenses during the meeting. Rent of the meeting place, local transportation costs and other out-of-pocket expenses shall be paid by the Company.

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## APPENDIX IV            PROPOSED AMENDMENTS TO THE ARTICLES

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Article 107<sup>5</sup>    The Board of Directors shall keep minutes in Chinese of its decisions concerning the matters under its consideration at the meeting of the Board and such meetings as are not convened. Directors attending a meeting and the person recording the minutes shall sign the minutes of that meeting. The minutes of the Board meeting shall include the following details:

- (i) the convening date, place and the convener's name of the meeting;
- (ii) names of attending directors and directors appointed as proxies to attend the meeting on the other's behalf;
- (iii) agenda of the meeting;
- (iv) highlights of directors' speeches; and
- (v) the voting method and result of each proposal (the numbers for, against and abstain votes shall be specifically indicated).

~~Opinions of the Independent (non-executive) Directors shall be clearly stated in the resolutions of the Board of Directors. The minutes of each Board meeting shall be provided to all the Directors promptly. Directors who wish to amend or supplement the minutes shall submit the proposed amendments to the Chairman in writing within one week after receipt of the meeting minutes. The minutes shall be signed by the Directors present at the meeting and the person who recorded the minutes after they are finalised. The minutes of Board meetings shall be kept at the residence of the Company in the PRC for a period of 10 years and a complete copy of the minutes shall be promptly sent to each Director.~~

The Board of Directors may accept a written resolution in lieu of convening a Board meeting provided that a draft of such written resolution shall be delivered to each Director in person, by mail, by telegram or by fax. If the Board of Directors has delivered such proposed written resolution to all the Directors and the Directors who signed and approved such resolution have reached the required quorum, and the same have been delivered to the secretary of the Board of Directors, such resolution shall become a resolution of the Board of Directors and there is no need to hold a Board meeting.

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## APPENDIX IV            PROPOSED AMENDMENTS TO THE ARTICLES

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Directors shall be liable for resolutions of the Board. If a resolution is against the laws, administrative rules or the Articles of Association, and thus causing the Company suffers serious loss, the Directors who participate in voting shall assume the liability to compensate to the Company; but those Directors who are proved to have cast a dissenting vote which is recorded in the minutes shall be exempted from liability.

Article 1086 ~~When the matters related to a connected transaction are considered at a Board meeting, the connected Directors~~ Where any of the directors has any connected relationship with the enterprise involved in the matter to be decided at the meeting of the Board of Directors, he shall be abstained from voting on the relevant resolution, nor may he vote on behalf of any other director, and the numbers of votes held by them shall not be included in the total numbers of valid votes;. A resolution of the Board of Directors shall be passed by more than half of the unconnected directors; the resolution of the Board meeting shall fully disclose the voting results of the non-connected Directors. If the number of unconnected directors in presence is less than 3 persons, the matter shall be submitted to the shareholders' general meeting of the Company for consideration and discussion. ~~If the votes of the connected Directors can not be avoided under special circumstances, the Company may vote in accordance with normal procedures, but shall give a detailed description in the resolution of the meeting.~~

~~The "connected Directors" mentioned in this Article refers to the directors, among whom each holds 5% or above interests in the transaction.~~

### CHAPTER 911 SECRETARY OF THE BOARD OF DIRECTORS

Article 1097 The Company shall have one (1) secretary of the Board of Directors. The secretary shall be senior management personnel of the Company, who assumes the obligations as required by the laws, the regulations and the Articles of Association of the Company, has the appropriate working responsibilities and receives the corresponding remuneration.

Article 11008 The secretary of the Company's Board of Directors shall be a natural person who has the requisite knowledge of laws and regulations and the requisite professional knowledge and experience, and shall be appointed by the Board of Directors.



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## APPENDIX IV            PROPOSED AMENDMENTS TO THE ARTICLES

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The responsibilities of the secretary of the Board of Directors are to ensure the Company has a complete file of organisations documents and records; to ensure the Company prepares and submits all reports and documents, as required by laws, to responsible organisations of the PRC; to ensure the register of the shareholders of the Company to be set up, and to ensure timely access to records and documents related to the Company by individuals with the right of access.

Article 111~~09~~ A Director or a senior management person of the Company may concurrently act as the secretary of the Company's Board of Directors. An accountant of the accounting firm engaged by the Company, the General Manager of the Company or a chief financial officer of the Company may not concurrently act as the secretary of the Company's Board of Directors.

In the case of a Director acting concurrently as secretary of the Board and an action has to be taken by a Director and the secretary of the Board separately, the Director acting concurrently as secretary of the Board may not act in his capacity as both director and secretary of the Board.

Article 112~~0~~ The secretary of the Board shall diligently exercise his duties in accordance with the relevant provisions of the Articles of Association.

The secretary of the Board shall assist the Company in complying with the relevant PRC laws and the relevant laws, regulations, ordinances and the rules of the securities exchange on which the shares of the Company are listed.

### CHAPTER 10~~2~~ MANAGER OF THE COMPANY

Article 113~~1~~ The Company shall have one (1) manager who shall be appointed or dismissed by the Board of Directors.

The manager is elected for a term of three years and may serve consecutive terms if re-elected upon the expiration of his term.

Article 114~~2~~ The manager of the Company shall be accountable to the Board of Directors and shall exercise the following duties and powers:

- (1) to be in charge of the Company's production, operation and management, to coordinate the implementation of the resolutions of the Board of Directors;

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## APPENDIX IV            PROPOSED AMENDMENTS TO THE ARTICLES

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- (2) to organise the implementation of the Company's annual business plan and investment proposal;
- (3) to draft plans for the establishment of the Company's internal management structure;
- (4) to draft the Company's basic management system;
- (5) to draft the Company's basic regulations;
- (6) to propose the appointment or dismissal of the assistant managers and the chief financial officers of the Company;
- (7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;
- (8) other duties and powers conferred by the Articles of Association and the Board of Directors.

Article 11~~5~~3    The manager of the Company shall attend Board meetings. The manager who is not a director shall attend Board meetings and is entitled to receive notices of meetings and other relevant documents, but do not have any voting rights at Board meetings.

Article 11~~6~~4    In performing their duties and powers, the manager and assistant managers shall not amend the resolutions of the shareholders' general meetings and the Board of Directors or exceed the authorisation scope.

Article 11~~7~~5    In performing their duties and powers, the manager and assistant managers shall act honestly and diligently in accordance with laws, administrative regulations and the Articles of Association.

Article 11~~8~~6    The manager, assistant managers and other senior management personnel of the Company who ask for resignation shall submit written notice to the Board of Directors three (3) months in advance; the manager of a department who asks for resignation shall submit written notice to the manager of the Company two (2) months in advance.

Article 119    Any person who takes an administrative role other than a director or a supervisor in the controlling shareholders of the Company shall not serve as a senior executive of the Company.

The senior executives only receive remuneration in the Company, not paid by the controlling shareholders on their behalf.

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## APPENDIX IV            PROPOSED AMENDMENTS TO THE ARTICLES

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### CHAPTER 113 SUPERVISORY COMMITTEE

Article ~~120~~<sup>17</sup> The Company shall have a Supervisory Committee. The Supervisory Committee is a permanent supervisory organisation of the Company, and is responsible for the supervision of senior management personnel, including the Board of Directors and its members, manager, assistant managers and chief financial officers, to prevent them from abusing their authorities and assaulting the legal rights and interests of shareholders, the Company and the employees of the Company.

Article ~~121~~<sup>18</sup> The Supervisory Committee consists of three (3) supervisors, one of whom shall serve as the Chairman of the Supervisory Committee. A supervisor shall have a term of office for three years and can be re-elected.

- (1) The appointment or removal of the Chairman of the Supervisory shall be passed by more than half of the members of the Supervisor.
- (2) The resolutions of the Supervisory shall be passed by more than half of the members of the Supervisory.

Article ~~122~~<sup>19</sup> The Supervisory Committee consists of two (2) representatives of shareholders and one (1) representative of employees of the Company. The external supervisors (refer to those supervisors who do not hold office in the Company) shall represent more than half of the members of the Supervisory Committee.

The representatives of shareholders shall be elected and dismissed by the shareholders' general meeting, and the representative of the employees of the Company shall be elected and dismissed by the employees of the Company democratically.

Article ~~123~~<sup>0</sup> Directors, managers, assistant managers, chief financial officers and other senior management personnel of the Company may not serve as supervisors concurrently.

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Article 124<sup>+</sup> Supervisors' meetings shall be held regularly at least once every six months. The meetings shall be convened by the Chairman of the Supervisory Committee. Ten (10) days notice shall be given to all Supervisors for the convening of a Supervisors' meeting. Upon anything urgent, an extraordinary Supervisors' meeting can be held under the proposal raised by the Supervisors at any time, not subject to the notice of the Supervisors' meetings mentioned below.

~~Supervisors' meetings shall be held in the place of incorporation of the Company in principle and may be held in other places within the PRC in accordance with the resolution of the Supervisory Committee.~~

~~Notice of meetings of the Supervisory Committee shall be delivered as follows:~~

- ~~(1) For regular meetings of the Supervisory Committee of which the time and venue have been stipulated by the Supervisory Committee beforehand, no notice of the convening of such meetings will be needed.~~
- ~~(2) For the meeting of the Supervisory Committee of which the time and venue have not been decided by the Supervisory Committee beforehand, the Chairman of the Supervisory Committee shall notify the Supervisors of the time and venue of such a meeting at least ten (10) days and at most thirty (30) days in advance by telex, by telegram, by fax, by express delivery service or by registered mail or in person, except otherwise stipulated in paragraph 1 of this Article.~~
- ~~(3) Notice of a meeting may be served in Chinese, with an English translation attached thereto when necessary, and in each case accompanied with a meeting agenda. A Supervisor may waive his right to receive the notice of the Supervisors' meetings.~~

~~Notice of a meeting shall be deemed to be served to any Supervisors who attend the meeting without protesting against any lack of notice before or at its commencement.~~

~~Any regular or extraordinary meeting of the Supervisory Committee may be held by telephone conferencing or similar communication equipment. As long as all Supervisors participating in the meeting can hear and communicate clearly with each other, all such Supervisors shall be deemed to be present in person at the meeting.~~

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The Supervisory Committee may accept a written resolution in lieu of convening a Supervisors' meeting provided that a draft of such written resolution shall be delivered to each Supervisor in person, by mail, by telegram or by fax. If the Supervisory Committee has delivered such proposed written resolution to all the Supervisors and the Supervisors who signed and approved such resolution have reached the required quorum, such resolution shall become a resolution of the Supervisory Committee and there is no need to hold a Supervisors' meeting.

Article 125~~2~~    The Supervisory Committee shall be responsible to the shareholders' general meeting and exercise the following duties and powers in accordance with law:

- (1)      to review the Company's financial position;
- (2)    to supervise the Directors, managers and other senior management personnel of the Company ~~to ensure that they do not act in contravention of any law, administrative regulations or the Articles of Association during their performance of duties, and to propose the removal of directors and senior management personnel who have acted in breach of the laws, administrative regulations, this Articles or the resolutions passed at the general meeting;~~
- (3)      to demand the Directors, managers and other senior management personnel of the Company to rectify their error if they have acted in a harmful manner to the Company's interest;
- (4)      to review and express its review comments in writing on regular reports prepared by the Board of Directors;
- (54)      to check and inspect the financial information such as the financial report, operation report and plans for profits distribution to be submitted by the Board of Directors to the shareholders' general meetings, and to authorise, in the Company's name, publicly certified accountants and practicing auditors to assist in the review on such information should any doubt arise in respect thereof;
- (65)      to propose to convene an extraordinary general meeting, and to convene and chair the shareholders' general meetings in the event of the Board of Directors has failed to perform so pursuant to the Company Law;
- (76)      to propose a motion to the shareholders' general meeting;

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~~(87)~~ to represent the Company in negotiations with or in bringing actions against a Director and senior management personnel;

~~(98)~~ other functions and powers specified in the Company's Articles of Association.

The Supervisory Committee has the right to give suggestions on the appointment of the accounting firm by the Company. When necessary, has the right to appoint another accounting firm on behalf of the Company to conduct independent examination on the financial issues of the Company, ~~could directly report the situations to the securities regulatory authorities of the State Council and other regulatory departments.~~

The external supervisors are entitled to report independently to the shareholders' general meeting the performance of good faith and diligence of senior management personnel of the Company.

Supervisors shall attend Board meetings

~~Article 123~~ ~~A Supervisors' meeting shall be held only upon more than two-thirds of the members of the Supervisory Committee are present. Each Supervisor has one (1) vote.~~

Article 1264 All reasonable fees incurred in respect of the employment of professionals (such as lawyers, certified public accountants or practicing auditors) which are required by the Supervisory Committee in the exercise of its functions and powers shall be borne by the Company.

Article 1275 A supervisor shall carry out his duties faithfully and bona fide in accordance with laws, administrative regulations and the Articles of Association.

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## APPENDIX IV            PROPOSED AMENDMENTS TO THE ARTICLES

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### CHAPTER 124    QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, SUPERVISORS, MANAGER AND OTHER SENIOR MANAGEMENT PERSONNEL OF THE COMPANY

Article 1286    A person may not serve as a Director, Supervisor, manager or other senior management personnel of the Company if any of the following circumstances apply:

- (1)    a person who does not have or who has limited capacity for civil conduct;
- (2)    a person who has been found guilty for corruption, bribery, encroachment of property or misappropriation of property or other crimes which destroy the social economic order, and not more than five (5) years have lapsed since the sentence was served or a person who has been deprived of his political rights and not more than five (5) years have lapsed since the sentence was served;
- (3)    a person who was the former director, factory director or manager of a company or enterprise and who is personally liable for the bankruptcy or liquidation of the company or enterprise, where the period of time that has elapsed since the date of the completion of such bankruptcy or liquidation is less than three (3) years;
- (4)    a person who was a former legal representative of a company or enterprise the business licence of which was revoked and was ordered to close due to the violation of law and who is personally liable therefor, where the period of time that has elapsed since the date of the cancellation of the business licence is less than three (3) years;
- (5)    a person who has a relatively large amount of debts which have become due and outstanding;
- (6)    a person who is currently under investigation by the judicial authorities for violation of criminal law;
- (7)    a person who, according to laws and administrative regulations, cannot act as a leader of an enterprise;
- (8)    a person other than a natural person;

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- (9) a person who has been adjudged by the competent authority for violation of relevant securities regulations and such conviction involves a finding that such person has acted fraudulently or dishonestly, where not more than five (5) years have lapsed from the date of such conviction.

~~A person who is the controlling shareholder and takes executive post as one of the management personnel can not concurrently act as the manager, assistant manager, chief financial officer, sales director or the secretary of the Board.~~

~~Article 127 The validity of an act carried out by a Director, manager or other senior management personnel of the Company on its behalf shall, as against a bona fide third party, not be affected by any irregularity in his office, election or any defect in his qualification.~~

Article 1298 In addition to the obligations imposed by laws, administrative regulations or the listing rules of the stock exchange on which the shares of the Company are listed, each of the Company's Directors, Supervisors, manager or other senior management personnel owes a duty to each shareholder, in the exercise of the duties and powers of the Company entrusted to him:

- (1) not to procure the Company to do anything ultra vires to the scope of business as stipulated in its business licence;
- (2) to act honestly and in the best interests of the Company;
- (3) not to expropriate the Company's property in any way, including (but not limited to) usurpation of opportunities which may benefit the Company;
- (4) not to deprive of the individual interest of shareholders, including (but not limited to) rights to distribution and voting rights, save and except pursuant to a restructuring of the Company which has been submitted to the shareholders in general meeting for approval in accordance with the Articles of Association.

Article 13029 Each of the Company's Directors, Supervisors, manager and other senior management personnel owes a duty, in the exercise of his powers and in the discharge of his duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.



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Article 131~~0~~ Each of the Company's Directors, Supervisors, manager and other senior management personnel shall exercise his powers or perform his duties in accordance with the fiduciary principle, and shall not put himself in a position where his duty and his interest may conflict. This principle includes (but not limited to) performance of the following obligations:

- (1) to act bona fide in the best interests of the Company;
- (2) to act within the scope of his powers and not to exceed such powers;
- (3) to exercise the discretion vested in him personally and not to allow himself to act under the control of another and, unless and to the extent permitted by laws, administrative regulations or with the informed consent of shareholders given in a general meeting, not to transfer the exercise of his discretion;
- (4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (5) unless otherwise stipulated in the Articles of Association or except with the informed consent of the shareholders given in a general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (6) not to use the Company's property for his own benefit, without the informed consent of the shareholders given in a general meeting;
- (7) not to abuse his position to accept bribes or other illegal income or expropriate the public property in any way, including (but not limited to) opportunities which benefit the Company;
- (8) not to accept commissions in connection with the Company's transactions, without the informed consent of the shareholders given in a general meeting;
- (9) to comply with the Articles of Association, to perform his official duties faithfully, to protect the Company's interests and not to exploit his position and power in the Company to advance his own interests;
- (10) not to compete with the Company in any way, save with the informed consent of the shareholders given in a general meeting;

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- (11) not to misappropriate the Company's funds or to lend such funds to any other person; not to use the Company's assets to set up deposit accounts in his own name or in the any other name or to use such assets to guarantee the debts of a shareholder of the Company or any other personal liabilities;
  
- (12) not to divulge any confidential information which he has obtained during his term of office, without the informed consent of the shareholders in a general meeting; nor shall he use such information otherwise than for the Company's benefit, unless disclosure of such information to the court or other governmental authorities is made in the following circumstances:
  - i. stipulated by law;
  
  - ii. required for the public interest;
  
  - iii. required for the own interest of such Director, Supervisor, manager or other senior management personnel of the Company.

Article 132~~1~~ A Director, Supervisor, manager or senior management person of the Company may not direct the following persons or organisations ("connected persons") to do what such a Director, Supervisor, manager or senior management person may not do:

- (1) the spouse or minor child of a Director, Supervisor, manager or senior management person of the Company;
  
- (2) the trustee of a Director, Supervisor, manager or senior management person of the Company or any person referred in sub-paragraph (1) of this Article hereof;
  
- (3) the partner of a Director, Supervisor, manager or senior management person of the Company or any person referred in sub-paragraphs (1), (2) of this Article hereof;
  
- (4) the company over which a Director, Supervisor, manager or senior management person of the Company, alone or jointly with any person referred to in sub-paragraphs (1), (2), (3) hereof or any other Director, Supervisor, manager or senior management person of the Company, has actual control;
  
- (5) the directors, supervisors, manager and other senior management personnel of a company which is being controlled in the manner set out in sub-paragraph (4) of this Article.

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Article 133~~2~~     The duty of a Director, Supervisor, manager and other senior management personnel of the Company to act in good faith does not necessarily terminate on the expiration of their term of office. His duty of confidentiality in respect of trade secrets of the Company survives the termination of his tenure. Other duties may continue for such period as the principle of fairness may require depending on the length of time which has lapsed between the termination and the act concerned and on the circumstances and the terms under which the relationship between the relevant Director, Supervisor, General Manager and the senior management personnel on one hand and the Company on the other hand was terminated.

Article 133     ~~A Director, Supervisor, manager and other senior management personnel of the Company may be relieved of liability for specific breaches of his duty with the informed consent of the shareholders given at a general meeting, save under the circumstances of Article 53 of the Articles of Association.~~

Article 134~~4~~     Where a Director, Supervisor, manager and other senior management personnel of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company (other than his contract of service with the Company), he shall declare the nature and extent of his interests to the Board of Directors at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal therefor is otherwise subject to the approval of the Board of Directors.

Unless the interested Director, Supervisor, manager and other senior management personnel disclosed his interests in accordance with the preceding sub-paragraph of this Article and the contract, transaction or arrangement is approved by the Board of Directors at a meeting in which the Director, Supervisor, manager or senior management personnel is not counted as part of the quorum and refrains from voting, or from entering into a contract, transaction or arrangement in which that senior management personnel is materially interested is voidable at the instance of the Company except as against a bona fide party thereto who does not have notice of the breach of duty by the interested senior management personnel.

A Director, Supervisor, manager and other senior management personnel of the Company is deemed to be interested in a contract, transaction or arrangement in which his associate is interested.

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## APPENDIX IV      PROPOSED AMENDMENTS TO THE ARTICLES

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Article 1355 Where a Director, Supervisor, manager and other senior management personnel of the Company gives to the Board of Directors a notice in writing stating that, by reason of the facts specified in the notice, he is interested in the contracts, transactions or arrangements which may subsequently be made by the Company, that notice shall be deemed for the purposes of the preceding Article to be a sufficient disclosure of his interests, so far as the content stated in such notice is concerned, provided that such notice shall have been given before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration by the Company.

Article 1366 The Company shall not pay taxes for or on behalf of a Director, Supervisor, manager and other senior management personnel in any manner.

Article 1377 The Company shall not directly or indirectly make a loan to or provide any guarantee in connection with the making of a loan to a Director, Supervisor, manager and other senior management personnel of the Company or its holding company or any of their respective associates.

The foregoing prohibition shall not apply to the following circumstances:

- (1) provision of a loan or guarantee for a loan by the Company to its subsidiary;
- (2) the provision by the Company of a loan or a guarantee in connection with the making of a loan or any other funds available to its Directors, Supervisors, manager and other senior management personnel to meet expenditure incurred or to be incurred by him for the purposes of the Company or for the purpose of enabling him to perform his duties properly, in accordance with the terms of a service contract approved by the shareholders in a general meeting;
- (3) if the ordinary course of business of the Company includes the lending of money or the giving of guarantees, the Company may make a loan to or provide a guarantee in connection with the making of a loan to a Director, Supervisor, manager and other senior management personnel or his associates in the ordinary course of its business on normal commercial terms.

Article 1388 Any person who receives funds from a loan which has been made by the Company acting in breach of the preceding Articles shall, irrespective of the terms of the loan, forthwith repay such funds.

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## APPENDIX IV            PROPOSED AMENDMENTS TO THE ARTICLES

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Article 139~~9~~ A guarantee for the repayment of a loan which has been provided by the Company acting in breach of Article 137 (1) shall not be enforceable against the Company, save in respect of the following circumstances:

- (1) the guarantee was provided in connection with a loan which was made to an associate of a Director, Supervisor, manager and other senior management personnel of the Company or the Company's holding company and the lender of such funds did not know of the relevant circumstances at the time of the making of the loan;
- (2) the collateral which has been provided by the Company has already been lawfully disposed of by the lender to a bona fide purchaser.

Article 140~~40~~ For the purposes of the foregoing provisions of this Chapter, a "guarantee" includes an undertaking or property provided by the obligor to secure his performance of obligations.

Article 141~~1~~ In addition to any rights and remedies provided by laws and administrative regulations, where a Director, Supervisor, manager and other senior management personnel of the Company breaches the duties which he owes to the Company, the Company has a right:

- (1) to demand such a Director, Supervisor, manager or other senior management personnel to compensate it for losses sustained by the Company as a result of such breach;
- (2) to rescind any contract or transaction which has been entered into between the Company and such a Director, Supervisor, manager and other senior management personnel or between the Company and a third party (where such third party knows or should have known that such a Director, Supervisor, manager and other senior management personnel representing the Company has breached his duties owed to the Company);
- (3) to demand such a Director, Supervisor, manager and senior management person to surrender the gains made as result of the breach of his obligations;
- (4) to recover any funds received by such a Director, Supervisor, manager and senior management person that should have been received or might have been received by the Company, including (but not limited to) commissions;

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- (5) to demand repayment of interest earned or which may have been earned by a Director, Supervisor, manager and other senior management personnel on money that should have been paid to the Company.

Article 142~~2~~ The Company shall make written contract with a Director or Supervisor in relation to emoluments. The emoluments shall be approved in advance by shareholders' general meeting. The aforesaid emoluments include:

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

No proceedings may be brought by a Director or Supervisor against the Company for anything due to him in respect of the matters mentioned in this Article except pursuant to the preceding contract.

Article 143 ~~The contract concerning the emoluments between the Company and its Directors or Supervisors should provide that in the event that the Company is acquired, the Company's Directors and Supervisors shall, subject to the prior approval of shareholders in a general meeting, have the right to receive compensation or other payment in respect of his loss of office or retirement. For the purposes of the preceding Article, the acquisition of the Company includes any of the following:~~

- ~~(1) an offer made by any person to the general body of shareholders;~~
- ~~(2) an offer made by any person with a view to the offeror becoming a "controlling shareholder" within the meaning of Article 54 hereof.~~

~~If the relevant Director or Supervisor does not comply with this Article, any sum so received by him shall belong to those persons who have sold their shares as a result of such offer; the expenses incurred in distributing such sum on a pro rata basis amongst such persons shall be borne by the relevant Director or Supervisor and shall not be paid out of such sum.~~

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### CHAPTER 135   FINANCIAL AND ACCOUNTING SYSTEMS AND PROFIT DISTRIBUTION

Article 1434    The Company shall establish its financial and accounting systems in accordance with laws, administrative regulations and the PRC enterprise accounting standards formulated by the finance competent department of the State Council.

Article 1445    The accounting year of the Company shall coincide with the calendar year which is from 1 January to 31 December on the Gregorian calendar.

The Company shall adopt RMB as its accounts keeping unit. All accounts shall be written in Chinese.

At the end of each accounting year, the Company shall prepare a financial report which shall be examined and verified in a manner prescribed by law.

Article 1456    The Board of Directors of the Company shall place before the shareholders at every annual general meeting such financial reports which the relevant laws, administrative regulations and directives promulgated by competent regional and central governmental authorities require the Company to prepare. Such reports shall be verified.

Article 1467    The financial reports of the Company shall be available for inspection by the shareholders 20 days prior to an annual shareholder's general meeting. Each shareholder of the Company is entitled to obtain a copy of the financial reports referred to in the Articles of Association.

The Company shall send to each holder of Overseas Listed Foreign Shares by prepaid mail at the address registered in the register of shareholders the aforesaid reports (including the balance sheet, profit and loss account, income and expenditure account or summarized financial report, as well as other documents stipulated by law) and directors' reports twenty-one (21) days prior to the date of every annual general meeting.

Article 1478    The financial statements of the Company shall, in addition to being prepared in accordance with PRC accounting standards and regulations, be prepared in accordance with either international accounting standards, or that of the place overseas where the shares of the Company are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, such difference shall be stated in the financial statements. In distributing its profits after tax, the lower of the two amounts shown in the financial statements shall be adopted.

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## APPENDIX IV            PROPOSED AMENDMENTS TO THE ARTICLES

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Article 148~~9~~    Any interim results or financial information published or disclosed by the Company must also be prepared and presented in accordance with PRC enterprise accounting standards and regulations, and also in accordance with either international accounting standards or that of the place overseas where the shares of the Company are listed.

Article 149~~50~~    The Company shall publish four financial reports every accounting year. That is, the quarterly and interim reports shall be published within forty-five (45) days of the end of the first three (3) months, six (6) months and nine (9) months of the accounting year and the annual report shall be published within ninety (90) days of the end of the accounting year.

Article 150~~51~~    The Company shall not keep accounts other than those required by law.

Article 151~~2~~    When allocating the after-tax profits of the current year, the Company shall allocate ten (10) percent of its profit to the statutory common reserve fund. In the event that the accumulated statutory common reserve fund of the Company has reached more than fifty (50) percent of the registered capital of the Company, no allocation is needed.

In the event that the statutory common reserve fund of the Company is insufficient to make up the losses of the Company on the previous year, before allocating the statutory common reserve fund in accordance with the stipulations of the previous paragraph, the Company shall first make up the losses by using the profits of the current year.

After allocating the statutory common reserve fund from the after-tax profits of the Company, the Company can allocate the arbitrary common reserve fund according to the resolution of shareholders' general meeting.

After making up the losses and allocating the common reserve fund, any remaining profits shall be distributed to the shareholders in proportion to their shareholdings.

Article 152~~3~~    Before making up the losses and allocating the statutory common reserve fund, the Company shall not distribute the dividends or carry out other distributions by way of bonus.



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## APPENDIX IV            PROPOSED AMENDMENTS TO THE ARTICLES

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Article 153~~4~~    Capital common reserve fund includes the following items:

- (1)    premium on shares issued at a premium price;
- (2)    any other income designated for the capital common reserve fund by the regulations of the finance competent department of the State Council.

Article 154~~5~~    The common reserve fund of the Company shall only be applied for compensating the losses, expansion of production and operation, or converting the common reserve fund into the capital of the Company. However, the capital common reserve fund of the Company shall not be used to compensate the loss of the Company.

The Company may convert its common reserve fund into capital subject to the resolution of the shareholders' general meeting. When such conversion takes place, the Company shall distribute new shares to the shareholders in proportion to their shareholdings, provided, however, that when the statutory common reserve fund is converted into capital, the balance of the statutory common reserve fund may not fall below twenty-five (25) percent of the registered capital of the Company.

Article 155~~6~~    The payments of any share having been paid before the demand for payment shall enjoy interest, however, the shareholders shall have no right to dividend distributed thereafter in respect of the advance payments of shares.

As for the right of obtaining the dividends having not been drawn, it may not be exercised until the application term prescribed by relevant laws and/or regulations and/or ordinances expires.

Article 156~~7~~    The Company may distribute dividends in the following forms:

- (1)    cash;
- (2)    shares.

Article 157    After the profit distribution proposal is approved at the shareholders' general meeting of the Company, the Board of Directors of the Company shall complete the distribution of the dividends (or shares) within two months after convening the shareholders' general meeting.

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## APPENDIX IV            PROPOSED AMENDMENTS TO THE ARTICLES

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Article 158 The Company shall calculate, declare and pay cash dividends and other amounts which are payable to the holders of Domestic Shares in RMB. The Company shall calculate and declare cash dividends and other amounts which are payable to the holders of Overseas Listed Foreign Shares in RMB, and shall pay such amounts in Hong Kong Dollars. As for the foreign currency needed, it shall be handled in accordance with the related national regulations on foreign exchange control.

Article 159 Unless otherwise stipulated by related laws or administrative regulations, for cash dividends and other amounts paid in Hong Kong dollars, the applicable exchange rate shall be the average median price of the relevant foreign currency announced by the Peoples' Bank of China during the week prior to the announcement of payment of dividend and other amounts.

Article 160 The shareholders' general meeting may authorise the Board of Directors to distribute interim or special dividends unless otherwise determined by the shareholders' general meeting.

Article 161 In the event of distributing the dividends to shareholders of the Company, the payable taxes on the dividend incomes of the shareholders shall be withdrawn in accordance with the requirements of Taxation Law of the PRC and in consideration of the distributed sum.

~~Article 162 The Company shall appoint receiving agents for holders of the Overseas Listed Foreign Shares. Such receiving agents shall receive dividends which have been declared by the Company and all other amounts which the Company should pay to holders of Overseas Listed Foreign Shares on such shareholders' behalf.~~

~~The receiving agents appointed by the Company shall meet the relevant requirements of the laws of the place at which the stock exchange on which the shares of the Company are listed or the relevant regulations of such stock exchange.~~

~~The receiving agents appointed for holders of Overseas Listed Foreign Shares listed in Hong Kong shall each be a company registered as a trust company under the Trustee Ordinance of Hong Kong.~~

Article 162<sup>3</sup> (1) The Company may exercise of power to terminate the delivery of share dividend warrants by post, if such dividend warrants haven't been cashed, then such power shall be exercised only after such dividend warrants haven't been cashed twice. However, upon such dividend warrants can't be served initially to the recipient and have been returned, such power can be exercised also.

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## APPENDIX IV      PROPOSED AMENDMENTS TO THE ARTICLES

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- (2) As to sale shares of untraceable shareholders, unless complying with the following provisions, the Company shall not exercise such power:
- (a) The relevant shares have been distributed at least three times of dividends within 12 years, and no dividend is claimed during that period; and
  - (b) After the expiry of 12 years, and subject to the approval of the securities authority of the State Council, the Company publishes an advertisement in the newspapers, indicating its intention to sell shares, and it shall notify The Stock Exchange of Hong Kong Limited.

### CHAPTER 146 APPOINTMENT OF ACCOUNTING FIRM

Article 163~~4~~ The Company shall appoint an independent accounting firm which is qualified under the relevant regulations of the State to audit the Company's annual financial report and review other financial reports of the Company.

~~The first accounting firm of the Company may be appointed by the founders' meeting before the first shareholders' meeting. The term of appointment of the accounting firm shall terminate at the end of the first shareholders' meeting.~~

~~If the founders' meeting does not exercise its duties and powers according to the aforementioned provisions, then the Board of Directors shall exercise its duties and powers.~~

Article 164~~5~~ The accounting firm appointed by the Company shall hold office from the conclusion of the annual general meeting of shareholders at which they were appointed until the conclusion of the next annual general meeting of shareholders.

Article 165~~6~~ The accounting firm appointed by the Company shall be entitled the following rights:

- (1) a right to review to the books, records and vouchers of the Company at any time, the right to require the Directors, Manager and other senior management personnel of the Company to supply relevant information and explanations;
- (2) a right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the discharge of its duties;

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## APPENDIX IV            PROPOSED AMENDMENTS TO THE ARTICLES

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- (3) a right to attend shareholders' general meetings and to receive all notices of, and other communications relating to, any general meeting which any shareholder is entitled to receive, and to speak at any general meeting in relation to matters concerning its role as the Company's accounting firm.

~~Article 167~~ If there is a vacancy in the position of the accounting firm, the Board of Directors may appoint an accounting firm to fill such vacancy before the convening of the general meeting. Any other accounting firm which has been appointed by the Company may continue to act during the period during which a vacancy arises.

Article 1668 The shareholders in a general meeting may by ordinary resolution remove the accounting firm before the expiration of its term of office, irrespective of the provisions in the contract between the Company and the accounting firm. However, the right of the accounting firm in claiming for damages which arise from its removal shall not be affected thereby.

Article 1679 The emolument of an accounting firm or the manner in which such firm is to be remunerated shall be determined by the shareholders in a general meeting by ordinary resolution. The emolument of an accounting firm appointed by the Board of Directors which is to fill the vacancy shall be determined by the Board of Directors.

Article 16870 The Company's appointment, removal or non-reappointment of an accounting firm shall be resolved by the shareholders in a general meeting by ordinary resolution. ~~Such resolution shall be filed with the securities competent authority of the State Council.~~

~~Where a resolution is passed at a general meeting of shareholders to appoint an accounting firm other than an incumbent accounting firm, to fill a casual vacancy in the office of the accounting firm, or to reappoint an accounting firm appointed by the Board of Directors to fill a casual vacancy, or to remove an accounting firm before expiry of its term of office, the following provisions shall apply:~~

- ~~(1) A copy of the appointment or removal proposal shall be sent before notice of meeting is given to the shareholders to the firm proposed to be appointed or proposing to leave its post or the firm which has left its post in the relevant fiscal year. Reference as leaving herein includes leaving by removal, resignation and retirement.~~

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## APPENDIX IV      PROPOSED AMENDMENTS TO THE ARTICLES

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~~(2) If the accounting firm leaving its post makes representations in writing and requests the Company to give the shareholders notice of such representations, the Company shall (unless the representations are received too late) take the following measures:~~

~~i. in any notice of the resolution given to shareholders, state the fact of the representations having been made by the accounting firm leaving its post;~~

~~ii. attach a copy of the representations to the notice and deliver it to the shareholders entitled to receive the notice of shareholders' general meeting in the manner stipulated by the Articles of Association.~~

~~(3) If the Company fails to circulate the accounting firm's representations in the manner set out in sub-paragraph (2) above, such accounting firm may (in addition to its right to be heard) require that the representations be read out at the meeting.~~

~~(4) An accounting firm which is retired from its office shall be entitled to attend the following meetings:~~

~~i. the general meeting at which its term of office would otherwise have expired;~~

~~ii. the general meeting at which it is proposed to fill the vacancy caused by its removal;~~

~~iii. the general meeting which convened as a result of its voluntary resignation.~~

~~The leaving accounting firm has the right to receive all notices of, and other communications relating to, any such meeting, and to speak at any such meeting which it attends on any part of the business of the meeting which concerns it as the former accounting firm of the Company.~~

Article 1697+ Prior notice should be given to the accounting firm in advance if the Company decides to remove or not to renew appointment of such accounting firm. Such accounting firm shall be entitled to make representations at the general meeting. Where the accounting firm resigns from its position as the Company's auditors, it shall make clear to the shareholders in a general meeting whether there has been any impropriety on the part of the Company.

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## APPENDIX IV            PROPOSED AMENDMENTS TO THE ARTICLES

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

- (1) a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company; or
- (2) a statement of any such circumstances.

~~Where a notice is served under the preceding paragraph, the Company shall within fourteen (14) days send a copy of the notice to the relevant competent authority. If the notice contains a statement under the preceding sub-paragraph (2), a copy of such a statement shall be placed in the office of the Company for shareholders' inspection. The Company shall also send a copy of such a statement by prepaid mail to every shareholder who is entitled to obtain the financial reports of the Company, including but not limited to every shareholder of Overseas Listed Foreign Shares, at the address registered in the register of the shareholders.~~

~~Where the accounting firm's notice of resignation contains a statement in respect of the above, it may require the Board of Directors to convene a shareholders' extraordinary general meeting for the purpose of receiving an explanation of the circumstances connected with its resignation.~~

### CHAPTER 157    INSURANCE

Article 17072 The insurance of the Company shall be purchased from the People's Insurance Company of China or other insurance companies registered in the PRC and allowed by the laws of the PRC to provide insurance coverage to PRC companies.

The types of insurance, the insured amounts and other terms and periods of the Company's insurance shall be discussed and decided by the Board of Directors based on the practices of similar industries in other countries and the practice and legal requirements in the PRC.

### CHAPTER 168    LABOUR MANAGEMENT

Article 17173 The Company shall formulate its labour management, personnel management, wages and welfare system and social insurance system in accordance with the provisions of the PRC laws and administrative rules.

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## **APPENDIX IV            PROPOSED AMENDMENTS TO THE ARTICLES**

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Article 1724 In respect of all levels of management personnel, the Company shall adopt an appointment system and in respect of ordinary staff and workers, the Company shall adopt a contract system. The Company shall have autonomy in respect of the allocation and the assignment of work of its employees and may exercise its own discretion to recruit and, in accordance with administrative rules and the terms of contracts, dismiss management personnel and staff and workers.

Article 1735 The Company shall have autonomy in determining the levels of wages and welfare benefits for various levels of its management personnel and staff and workers in accordance with its own economic results and to the extent permitted by the relevant administrative rules.

Article 1746 The Company shall arrange for medical insurance, retirement insurance and unemployment insurance for its management personnel and staff and workers in accordance with the relevant PRC local and central governmental administrative rules and shall implement the laws, administrative rules and the relevant requirements in respect of labour insurance for the retired and unemployed staff and labour protection.

### **CHAPTER 179 TRADE UNION ORGANIZATION**

Article 1757 The staff and workers of the Company shall be entitled to establish a trade union organization and carry out trade union activities in accordance with the Trade Union Law of PRC. The activities of the trade union organization shall be carried out beyond the normal working hours unless otherwise prescribed by the board of directors.

In each month, the Company shall allocate 2% of the total amount of actual wages paid to the staff and workers to the trade union fund. Such fund shall be used by the trade union in accordance with the “Measures for the Management of Trade Union Funds” formulated by the All-China Federation of Trade Unions.

### **CHAPTER 2018 MERGER AND DIVISION AND CAPITAL REDUCTION OF THE COMPANY**

Article 1768 In the case of merger or division of the Company, the Board of Directors shall provide the proposal, and, upon approval in accordance with the procedures under the Articles of Association, deal with the relevant approval procedures pursuant to laws. A shareholder who objects to the plan of merger or division shall have the right to demand the Company or the shareholders who consent to the plan of merger or division to acquire such dissenting shareholders’ shareholding at a fair price.

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## APPENDIX IV                      PROPOSED AMENDMENTS TO THE ARTICLES

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~~The contents of the resolution of merger or division of the Company shall be made into special documents for shareholders' inspection. Such special documents shall be sent by mail to holders of Overseas Listed Foreign Shares that are listed in Hong Kong.~~

Article 177~~9~~     The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

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 on which the Company's merger resolution is passed, and shall publish an announcement in a newspaper within 30 days.

A creditor has the right within 30 days of receipt of the notice from the Company or, in the case of a creditor who does not receive such notice, within 45 days of the date of the announcement, to require the Company to repay its debts or to provide a corresponding guarantee for such debt.

After the merger, the rights against debtors and the indebtedness of each of the parties to the merger shall be inherited by the company which survives the merger or the newly established company.

Article 178~~0~~     Where there is a division of the Company, its assets shall be divided up accordingly.

In the event of division of the Company, the parties to such division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date on which the Company's division resolution is passed, and shall publish an announcement in a newspaper within 30 days.

Debts of the Company prior to division shall be severally and jointly assumed by the companies which exist after the division, provided that otherwise written agreements has been reached between the Company and the creditor upon the insolvency of debts.

Article 179     The Company must prepare a balance sheet and an inventory list of its assets when it intends to reduce its registered capital.



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## APPENDIX IV            PROPOSED AMENDMENTS TO THE ARTICLES

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The Company shall notify its creditors within ten days of, and make an announcement in the newspapers within thirty days, of the date of the Company's resolution for reduction of registered capital. A creditor may, within thirty days of receipt of the notice from the Company or, in the case of failure to receive such notice, within forty-five days of the date of the announcement, require the Company to repay its debts or to provide a corresponding guarantee for such debt.

The Company's registered capital must not, after the reduction in capital, be less than the minimum amount required by law.

Article 180~~8~~<sup>+</sup> The Company shall, in accordance with law, apply for change in its registration with the company registration authority where a change in any item in its registration arises as a result of any merger or division. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with law. Where a new company is established, the Company shall apply for registration thereof in accordance with law.

Article 181 Where the Company increases or reduces its registered capital, the Company shall handle the procedures for change registration with the company registration authority in accordance with the laws.

### CHAPTER ~~19~~<sup>2</sup> DISSOLUTION AND LIQUIDATION

Article 182 ~~The Company shall be dissolved and liquidated in accordance with the relevant laws, administrative regulations, provisions and procedures upon~~ under one of the occurrence of following circumstances:

- (1) the expiry of the term of business operation as prescribed by the Articles or the occurrence of other causes for dissolution prescribed by the Articles of Association;
- (2) a resolution regarding the dissolution is passed by shareholders at a general meeting;
- (3) dissolution is necessary due to a merger or division of the Company;
- (4) where the Company runs deep into difficulties in operation and management, its continuous existence may cause material losses to shareholders' interests, and such difficulties cannot be dealt with in other ways, the shareholders holding 10% or more of votes of all shareholders of the Company may file an application to the People's Court to dissolve the Company ~~the Company is legally declared insolvent due to its failure to repay debts as they become due;~~

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## APPENDIX IV                      PROPOSED AMENDMENTS TO THE ARTICLES

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- (5) the Company is ordered to have its business licence revoked or be closed down or dissolved because of its violation of laws and administrative regulations.

Article 183 In the circumstance of subparagraph (1) of the preceding Article, the Articles of Association may be amended so that the Company can continue to exist. Any amendment to the Articles of Association shall be passed at least by two thirds of the voting shares of the shareholders attending the shareholders' general meeting.

~~Where the Company is dissolved by virtue of the reasons set out in item (1), (2), (4), (5) of Article 182 of the Articles of Association, the Company shall establish a liquidation committee within 15 days commencing from the date on which the events being the grounds for dissolution has occurred to start the liquidation process. The members of the liquidation committee shall be composed of persons selected by directors or decided at shareholders' general meeting. If no liquidation committee has been established to conduct liquidation within the time limit, the creditors may request the People's Court to designate the relevant personnel to form a liquidation committee to conduct liquidation. A liquidation committee shall be set up within fifteen (15) days of the Company being dissolved pursuant to sub-paragraph (1), (2) of the preceding Article, and the composition of the liquidation committee of the Company shall be determined by an ordinary resolution of shareholders' general meeting. If the Company fails to set up the liquidation committee within the time limit, the creditors may apply to the People's Court for appointment of relevant persons to form a liquidation committee and carry out liquidation.~~

~~Where the Company is dissolved under sub-paragraph (4) of the preceding Article, the People's Court will, according to related laws, organise shareholders, related authority and professionals to establish a liquidation committee so as to conduct the liquidation.~~

~~Where the Company is dissolved under sub-paragraph (5) of the preceding Article, the relevant authorities shall organise the shareholders, relevant organisations and related professional personnel to establish a liquidation committee to carry out the liquidation.~~

~~Article 184 Where the Board of Directors proposes to liquidate the Company for any reason other than the Company's declaration of its own insolvency, the Board shall include a statement in its notice convening a general meeting to consider the proposal to the effect that, after making full inquiry into the affairs of the Company, the Board of Directors is of the opinion that the Company will be capable to pay its debts in full within 12 months from the commencement of the liquidation.~~

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## APPENDIX IV            PROPOSED AMENDMENTS TO THE ARTICLES

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~~Upon the passing of the resolution by the shareholders in a general meeting in relation to the liquidation of the Company, all functions and powers of the Board of Directors shall cease.~~

~~The liquidation committee shall act in accordance with the instructions of the general meeting to make a report at least once every year to the general meeting on the committee's income and expenses, the business of the Company and the progress of the liquidation; and to present a final report to the general meeting on completion of the liquidation.~~

Article 184~~5~~    The liquidation committee shall, within 10 days of its establishment, send notices to creditors and shall, within 60 days of its establishment, publish a public announcement in a newspaper.

A creditor shall, within 30 days of receipt of the notice, or in the case of failure to receive the notice, within 45 days of the date of the announcement, claim its rights to the liquidation committee.

In claiming its rights, the creditor shall explain the relevant issues on the creditor's rights, and provide evidential materials in respect thereof.

The liquidation committee shall register the creditors' rights. In the course of claiming of creditors' rights, the liquidation committee shall not make any repayment to creditors.

Article 185~~6~~    During the liquidation period, the liquidation committee shall exercise the following duties and powers:

- (1)    to categorise the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (2)    to notify the creditors or to publish public announcements;
- (3)    to dispose of and liquidate any unfinished businesses of the Company;
- (4)    to pay all outstanding taxes;
- (5)    to settle claims and debts;
- (6)    to deal with the surplus assets remaining after repayment by the Company of its debts;
- (7)    to represent the Company in any civil proceedings.

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## APPENDIX IV            PROPOSED AMENDMENTS TO THE ARTICLES

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Article 186<sup>7</sup>    After categorising the Company's assets and preparing the balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and present it to a general meeting or to the relevant authority for confirmation.

After payment of the liquidation costs, the assets of the Company shall be used to settle the following in order of priority:

- (1)    to pay accrued wages, social security insurance premiums and statutory compensations for employees of the Company;
- (2)    to pay outstanding taxes;
- (3)    to pay bank loans, corporate debentures and other debts and liabilities of the Company.

The remaining assets of the Company after payment has been made under the previous provision shall be distributed to its shareholders according to the class and proportion of their shareholding.

The Company shall not undertake any new business during the process of liquidation.

Article 187<sup>8</sup>    Upon completion of the categorisation of the Company's assets and preparation a balance sheet and an inventory of assets in connection with the liquidation of the Company, if the liquidation committee discovers that the Company's assets are insufficient to repay the Company's debts in full, the liquidation committee shall immediately apply to the People's Court in accordance with laws for a declaration of insolvency.

After the Company is declared insolvent by a ruling of the People's Court, the liquidation committee shall transfer all matters arising from the liquidation to the People's Court.

Article 188<sup>9</sup>    Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, ~~a statement of income and expenses received and made during the liquidation period and a financial report, which shall be verified by a Chinese registered accountant~~ and submitted to the general meeting or relevant authorities for confirmation.

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## APPENDIX IV      PROPOSED AMENDMENTS TO THE ARTICLES

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The liquidation committee shall, ~~within thirty (30) days after the confirmation of the shareholders' general meeting or the competent authority,~~ submit the documents referred to in the preceding paragraph to the companies registration authority and apply for the cancellation of registration of the Company, and make a public announcement relating to the termination of the Company. Such public announcement shall be published in a newspaper.

### CHAPTER ~~20~~ PROCEDURES FOR AMENDMENT TO ARTICLES OF ASSOCIATION OF THE COMPANY

Article ~~190~~<sup>89</sup> ~~The Company may amend the Articles of Association in accordance with the requirements of laws, administrative regulations and the Articles of Association. In any of the following circumstances, the Company shall amend the Articles of Association:~~

- ~~(i) the Articles of Association are contradictory to any provision of the amended version of the Company Law or relevant laws or administrative regulations;~~
- ~~(ii) there is a change to the condition of the Company, which is inconsistent with any matter recorded in the Articles of Association;~~
- ~~(iii) the shareholders' general meeting adopts a resolution to amend the Articles of Association.~~

Article ~~191~~<sup>90</sup> ~~the following procedures shall be followed when amending the Company's Articles of Association:~~

- ~~(1) the Board of Directors shall adopt a resolution thereon in accordance with the Articles of Associations and prepare a proposal for amendment of the Articles;~~
- ~~(2) the foregoing proposal shall be furnished to the shareholders and a shareholders' meeting shall be convened for voting on it;~~
- ~~(3) the amendments presented to the shareholders' meeting shall be adopted through a special resolution.~~

Article ~~192~~ ~~Where the amendments to the Articles of Association involve anything set out in the Mandatory Provisions, the amendments shall be effective upon the approval of the State Council authorised approving authorities and the China Securities Regulatory Commission.~~

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## APPENDIX IV      PROPOSED AMENDMENTS TO THE ARTICLES

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Article 19391 If there is any change relating to the registered particulars of the Company, application shall be made for change in registration in accordance with law.

### CHAPTER 231 NOTICE

Article 1924 Unless as otherwise provided by the Articles of Association, all the notices, materials or written statements issued by the Company to holders of Overseas Listed Foreign Shares shall be delivered by messenger or by pre-paid mails to the registered address of each holder of such shares.

Article 1935 When served by mail, the notice shall be put into an envelope on which the address is clearly written with prepaid postage. The notice shall be deemed as sent when the same is deposited into a mail box, and shall be deemed as served 48 hours after it has been sent.

### ~~CHAPTER 24 RESOLUTION OF DISPUTES~~

~~Article 196 The Company shall abide by the following principles for dispute resolution:~~

- ~~(1) Whenever any disputes or claims arise between: holders of the Overseas Listed Foreign Shares and the Company; holders of the Overseas Listed Foreign Shares and the Company's Directors, Supervisors, Manager or other senior management personnel; or holders of the Overseas Listed Foreign Shares and holders of Domestic Shares, in relation to the affairs of the Company arising as a result of any rights or obligations arising from the Articles of Association, the Company Law and other relevant laws and administrative regulations, such disputes or claims shall be referred by the relevant parties to arbitration.~~

~~Where a dispute or claim referred to in the preceding paragraph is referred to arbitration, the entire dispute or claim must be referred to arbitration, and all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall, where such person is the Company or the Company's shareholders, Directors, Supervisors, Manager or other senior management personnel, comply with the decisions made in the arbitration. Disputes in respect of the definition of shareholders and disputes in relation to the register of shareholders need not be resolved by arbitration.~~

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## APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES

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~~;(2) A claimant may elect for arbitration to be carried out at either the China International Economic and Trade Arbitration Commission in accordance with its Rules or the Hong Kong International Arbitration Centre in accordance with its Securities Arbitration Rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant.~~

~~If a claimant elects for arbitration to be carried out at Hong Kong International Arbitration Center, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Center.~~

~~(3) If any disputes or claims of rights are settled by means of arbitration in accordance with sub-paragraph (1) of this Article, the laws of the PRC shall apply, save as otherwise provided in the laws and administrative regulations.~~

~~(4) The judgement of an arbitral body shall be final and conclusive and binding on all parties.~~

### CHAPTER 225 SUPPLEMENTARY

~~Article 197 The Articles of Association shall be adopted by a special resolution at the Company's general meeting. The Articles of Association were adopted at the general meeting of the Company held on 25 May 2023 and formally came into effect.~~

~~Article 1948 The expressions of "above", "below" shall include the figures mentioned whilst the expressions of "short of", "without" shall not include the figures mentioned.~~

~~Article 1959 The Articles of Association's unsettled matters shall be resolved by submitting them to the shareholders' general meeting by the Board of Directors.~~

~~Article 196200 The Articles of Association are written in Chinese. The Chinese version passed at the last Shareholders' General Meeting shall prevail.~~

~~Article 197201 The right to interpret the Articles of Association vests with the Board of Directors of the Company, and the right to revise the Articles of Association vests with shareholders' General Meeting. The right of revision may be authorised to the Board of Directors by the General Meeting.~~

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## APPENDIX IV            PROPOSED AMENDMENTS TO THE ARTICLES

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Article ~~198~~<sup>202</sup> In the Articles of Association, the term “accounting firm” shall have the same meaning as “auditor” and the terms “manager” and “assistant manager” shall refer to the “general manager” and “assistant general manager” of the Company, respectively.

Article 203 ~~The “Mandatory Provisions”, “Comments on the Amendments to Articles of Association” and the “Listing Rules” in the marginal notes to the relevant provisions of the Articles shall mean that such provisions were made in accordance with the relevant requirements of Mandatory Provisions for the Articles of Association of Companies Listing Overseas issued by the State Council Securities Committee and the State Commission for Restructuring the Economic System on 27 August 1994, Circular Regarding Comments on the Amendments to Articles of Association of Companies Listed in Hong Kong issued by the Overseas Listing Department of the CSRC and the Production System Department of State Commission for Restructuring the Economic System on 3 April 1995 and the GEM Listing Rules as amended from time to time.~~

\* *For identification purpose only*



*The following are the particulars of the Director proposed to be appointed at the Extraordinary General Meeting:*

Mr. YANG Peng (楊鵬先生) (“**Mr. Yang**”), aged 49, obtained a master degree of management science and engineering from the Graduate School of Chinese Academy of Sciences\* (中國科學院研究生院) (currently named as University of Chinese Academy of Sciences) in 2006. Mr. Yang has worked for the Chinese Academic of Sciences for over 20 years. Mr. Yang started working in the Chinese Academy of Sciences since July 2001 and is currently a director of the Assets and Finance Division\* (資產財務處) and the Science and Communication Division\* (科學傳播處) in the Institute of Biophysics of the Chinese Academic of Sciences.

Subject to the Shareholders’ approval of Mr. Yang’s appointment as a non-executive Director, the Company will enter into a service agreement with Mr. Yang and his term of service with the Company will end at the expiration of the term of the current session of the Board. His remuneration will be determined by the Board and the remuneration committee of the Company with reference to his duties and responsibilities, the performance of the Group and the prevailing market conditions.

As at the Latest Practicable Date, save as disclosed above, Mr. Yang (i) has not held any other position in the Company or other subsidiaries; (ii) has not held any directorship in other listed companies in the last three years and has no other major appointments or professional qualifications; and (iii) does not have any relationships with any Directors, supervisors, senior management, substantial shareholders or controlling shareholders of the Company. Mr. Yang does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board is not aware that there are any other matters relating to the proposed appointment of Mr. Yang that need to be brought to the attention of the Shareholders and there is no other information relating to Mr. Yang which is required to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

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## NOTICE OF CLASS MEETING FOR HOLDERS OF H SHARES

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**中生北控生物科技股份有限公司**  
**BIOSINO BIO-TECHNOLOGY AND SCIENCE INCORPORATION**  
*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*  
(Stock Code: 8247)

### NOTICE OF H SHAREHOLDERS CLASS MEETING

**NOTICE IS HEREBY GIVEN** that the class meeting (the “**H Shareholders Class Meeting**”) for holders of H shares of Biosino Bio-Technology and Science Incorporation (the “**Company**”) will be held on Tuesday, 26 September 2023 at 10:00 a.m. at No. 27 Chaoqian Road, Science and Technology Industrial Park, Changping District, Beijing, the PRC, for the purpose of considering and if thought fit, passing the following resolution (with or without amendments). Unless otherwise indicated, capitalised terms used herein shall have the same meanings as ascribed to them in the circular dated 11 August 2023 issued by the Company (the “**Circular**”).

#### SPECIAL RESOLUTION

1. To consider and approve the amendments to the Articles of Association:

“**THAT** the proposed amendments to the Articles of Association (details of which are set out in the Circular) be and are approved and confirmed, and **THAT** any one Director be and is hereby authorised to modify the wordings of such amendments as he thinks appropriate (such modification will not be required to be approved by the Shareholders) and execute all such documents and/or do all such acts as the Director may, in his absolute discretion, deem necessary or expedient and in the interest of the Company to deal with related issues arising from the amendments to the Articles of Association.”

For and on behalf of the Board  
**Biosino Bio-Technology and Science Incorporation**  
**Wu Lebin**  
*Chairman*

Beijing, the PRC, 11 August 2023

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## NOTICE OF CLASS MEETING FOR HOLDERS OF H SHARES

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*Notes:*

1. The register of holders of H Shares and the register of holders of Domestic Shares will be closed from Tuesday, 5 September 2023 to Tuesday, 26 September 2023, both days inclusive, during which period no transfer of H Shares or Domestic Shares will be effected.

To qualify for attendance and voting at the H Shareholders Class Meeting (or any adjournment thereof), documents on transfers of H Shares must be lodged with the Company's H share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Monday, 4 September 2023.

2. Holders of H Shares intending to attend the H Shareholders Class Meeting should complete the enclosed reply slip for the H Shareholders Class Meeting and return it, by hand or by post, to the Company's H share registrar Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or by fax to (852) 2810 8185, not later than 4:30 p.m. on Tuesday, 5 September 2023.
3. Each holder of H Shares who is entitled to attend and vote at the H Shareholders Class Meeting (or any adjournment thereof) may, by completing the form of proxy of the Company, appoint one or more proxies to attend and vote at the H Shareholders Class Meeting (or any adjournment thereof) on his behalf. A proxy needs not be a Shareholder.
4. Holders of H Shares must use the form of proxy of the Company for appointing a proxy and the appointment must be in writing. The form of proxy must be signed by the relevant Shareholder or by a person duly authorised by the relevant Shareholder in writing (a "**power of attorney**"). If the form of proxy is signed by the person authorised by the relevant Shareholder as aforesaid, the relevant power of attorney and other relevant documents of authorisation (if any) must be notarised. If a corporate Shareholder appoints a person other than its legal representative to attend the H Shareholders Class Meeting (or any adjournment thereof) on its behalf, the relevant form of proxy must be affixed with the company seal/chop of the corporate Shareholder or duly signed by its director or any other person duly authorised by that corporate Shareholder as required by the Articles of Association.
5. To be valid, the form of proxy and the relevant notarised power of attorney (if any) and other relevant documents of authorisation (if any) as mentioned in note 4 above must be delivered to the Company's H share registrar Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 24 hours before the time appointed for the H Shareholders Class Meeting (or any adjournment thereof).
6. A Shareholder or his proxy should produce proof of identity when attending the H Shareholders Class Meeting (or any adjournment thereof). If a corporate Shareholder's legal representative or any other person authorised by the board of directors or other governing body of such corporate Shareholder attends the H Shareholders Class Meeting (or any adjournment thereof), such legal representative or other person shall produce his proof of identity, and proof of designation as legal representative and the valid resolution or authorisation document of the board of directors or other governing body of such corporate Shareholder (as the case may be) to prove the identity and authorisation of that legal representative or other person.

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## NOTICE OF CLASS MEETING FOR HOLDERS OF DOMESTIC SHARES

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**中生北控生物科技股份有限公司**  
**BIOSINO BIO-TECHNOLOGY AND SCIENCE INCORPORATION**  
*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*  
(Stock Code: 8247)

### NOTICE OF DOMESTIC SHAREHOLDERS CLASS MEETING

NOTICE IS HEREBY GIVEN that the class meeting (the “**Domestic Shareholders Class Meeting**”) for holders of domestic shares of Biosino Bio-Technology and Science Incorporation (the “**Company**”) will be held on Tuesday, 26 September 2023 at 10:30 a.m. at No. 27 Chaoqian Road, Science and Technology Industrial Park, Changping District, Beijing, the PRC, for the purpose of considering and if thought fit, passing the following resolution (with or without amendments). Unless otherwise indicated, capitalised terms used herein shall have the same meanings as ascribed to them in the circular dated 11 August 2023 issued by the Company (the “**Circular**”).

#### SPECIAL RESOLUTION

1. To consider and approve the amendments to the Articles of Association:

“**THAT** the proposed amendments to the Articles of Association (details of which are set out in the Circular) be and are approved and confirmed, and **THAT** any one Director be and is hereby authorised to modify the wordings of such amendments as he thinks appropriate (such modification will not be required to be approved by the Shareholders) and execute all such documents and/or do all such acts as the Director may, in his absolute discretion, deem necessary or expedient and in the interest of the Company to deal with related issues arising from the amendments to the Articles of Association.”

For and on behalf of the Board  
**Biosino Bio-Technology and Science Incorporation**  
**Wu Lebin**  
*Chairman*

Beijing, the PRC, 11 August 2023

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## NOTICE OF CLASS MEETING FOR HOLDERS OF DOMESTIC SHARES

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*Notes:*

1. The register of holders of H Shares and the register of holders of Domestic Shares will be closed from Tuesday, 5 September 2023 to Tuesday, 26 September 2023, both days inclusive, during which period no transfer of H Shares or Domestic Shares will be effected.

Holders of Domestic Shares should contact the secretary to the Board (the “**Secretary to the Board**”) (whose contact details are set out in note 2 below) for details concerning registration of transfers of Domestic Shares.

2. Holders of Domestic Shares intending to attend the Domestic Shareholders Class Meeting should complete the enclosed reply slip for the Domestic Shareholders Class Meeting and return it, by hand or by post, to the Secretary to the Board at No. 27 Chaoqian Road, Science and Technology Industrial Park, Changping District, Beijing, the PRC, or by fax to (86) 10-8011 7026, not later than 4:30 p.m. on Tuesday, 5 September 2023.
3. Each holder of Domestic Shares who is entitled to attend and vote at the Domestic Shareholders Class Meeting (or any adjournment thereof) may, by completing the form of proxy of the Company, appoint one or more proxies to attend and vote at the Domestic Shareholders Class Meeting (or any adjournment thereof) on his behalf. A proxy needs not be a Shareholder.
4. Holders of Domestic Shares must use the form of proxy of the Company for appointing a proxy and the appointment must be in writing. The form of proxy must be signed by the relevant Shareholder or by a person duly authorised by the relevant Shareholder in writing (a “**power of attorney**”). If the form of proxy is signed by the person authorised by the relevant Shareholder as aforesaid, the relevant power of attorney and other relevant documents of authorisation (if any) must be notarised. If a corporate Shareholder appoints a person other than its legal representative to attend the Domestic Shareholders Class Meeting (or any adjournment thereof) on its behalf, the relevant form of proxy must be affixed with the company seal/chop of the corporate Shareholder or duly signed by its director or any other person duly authorised by that corporate Shareholder as required by the Articles of Association.
5. To be valid, the form of proxy and the relevant notarised power of attorney (if any) and other relevant documents of authorisation (if any) as mentioned in note 4 above must be delivered to the Secretary of the Board not less than 24 hours before the time appointed for the Domestic Shareholders Class Meeting (or any adjournment thereof).
6. A Shareholder or his proxy should produce proof of identity when attending the Domestic Shareholders Class Meeting (or any adjournment thereof). If a corporate Shareholder’s legal representative or any other person authorised by the board of directors or other governing body of such corporate Shareholder attends the Domestic Shareholders Class Meeting (or any adjournment thereof), such legal representative or other person shall produce his proof of identity, and proof of designation as legal representative and the valid resolution or authorisation document of the board of directors or other governing body of such corporate Shareholder (as the case may be) to prove the identity and authorisation of that legal representative or other person.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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**中生北控生物科技股份有限公司**  
**BIOSINO BIO-TECHNOLOGY AND SCIENCE INCORPORATION**  
*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*  
(Stock Code: 8247)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting (the “**EGM**” or the “**Meeting**”) of Biosino Bio-Technology and Science Incorporation (the “**Company**”) will be held on Tuesday, 26 September 2023 at 11:00 a.m. at No. 27 Chaoqian Road, Science and Technology Industrial Park, Changping District, Beijing, the PRC, for the purpose of considering and if thought fit, passing the following resolutions (with or without amendments). Unless otherwise indicated, capitalised terms used herein shall have the same meanings as ascribed to them in the circular dated 11 August 2023 issued by the Company (the “**Circular**”).

#### ORDINARY RESOLUTIONS

1. To consider and approve the Rules of Procedure of the Shareholders’ General Meetings.
2. To consider and approve the Rules of Procedure of the Board of Directors.
3. To consider and approve the Rules of Procedure of the Board of Supervisors.
4. To consider and approve the appointment of Mr. Yang Peng as a non-executive Director, and authorise the Board to fix his remuneration and to enter into service contract with Mr. Yang Peng subject to such terms and conditions as the Board shall think fit and to do such other acts and things to give effect to the appointment.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### SPECIAL RESOLUTION

5. To consider and approve the amendments to the Articles of Association:

“**THAT** the proposed amendments to the Articles of Association (details of which are set out in the Circular) be and are approved and confirmed, and **THAT** any one Director be and is hereby authorised to modify the wordings of such amendments as he thinks appropriate (such modification will not be required to be approved by the Shareholders) and execute all such documents and/or do all such acts as the Director may, in his absolute discretion, deem necessary or expedient and in the interest of the Company to deal with related issues arising from the amendments to the Articles of Association.”

For and on behalf of the Board  
**Biosino Bio-Technology and Science Incorporation**  
**Wu Lebin**  
*Chairman*

Beijing, the PRC, 11 August 2023

*Notes:*

1. The register of holders of H Shares and the register of holders of Domestic Shares of the Company will be closed from Tuesday, 5 September 2023 to Tuesday, 26 September 2023, both days inclusive, during which period no transfer of H Shares or Domestic Shares will be effected. To qualify for attendance and voting at the EGM (or any adjournment thereof), documents on transfers of H Shares must be lodged with the Company’s H share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Monday, 4 September 2023. Holders of Domestic Shares should contact the secretary to the Board (the “**Secretary to the Board**”) (whose contact details are set out in note 3 below) for details concerning registration of transfers of Domestic Shares.
2. Holders of H Shares intending to attend the EGM should complete the enclosed reply slip for the EGM and return it, by hand or by post, to the Company’s H share registrar Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or by fax to (852) 2810 8185, not later than 4:30 p.m. on Tuesday, 5 September 2023.
3. Holders of Domestic Shares intending to attend the EGM should complete the enclosed reply slip for the EGM and return it, by hand or by post, to the Secretary to the Board at No. 27 Chaoqian Road, Science and Technology Industrial Park, Changping District, Beijing, the PRC, or by fax to (86) 10-8011 7026, not later than 4:30 p.m. on Tuesday, 5 September 2023.
4. Each holder of H Shares who is entitled to attend and vote at the EGM (or any adjournment thereof) may, by completing the form of proxy of the Company, appoint one or more proxies to attend and vote at the EGM (or any adjournment thereof) on his behalf. A proxy need not be a Shareholder.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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5. Holders of H Shares must use the form of proxy of the Company for appointing a proxy and the appointment must be in writing. The form of proxy must be signed by the relevant shareholder of the Company or by a person duly authorised by the relevant Shareholder in writing (a “**power of attorney**”). If the form of proxy is signed by the person authorised by the relevant Shareholder as aforesaid, the relevant power of attorney and other relevant documents of authorisation (if any) must be notarised. If a corporate Shareholder appoints a person other than its legal representative to attend the EGM (or any adjournment thereof) on its behalf, the relevant form of proxy must be affixed with the company seal/chop of the corporate Shareholder or duly signed by its director or any other person duly authorised by that corporate Shareholder as required by the Articles of Association.
6. To be valid, the form of proxy and the relevant notarised power of attorney (if any) and other relevant documents of authorisation (if any) as mentioned in note 5 above must be delivered to the Company’s H share registrar Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 24 hours before the time appointed for the EGM (or any adjournment thereof).
7. Each holder of Domestic Shares who is entitled to attend and vote at the EGM (or any adjournment thereof) may also, by completing the form of proxy of the Company, appoint one or more proxies to attend and vote at the EGM (or any adjournment thereof) on his behalf. A proxy needs not be a Shareholder. Notes 5 and 6 above also apply to the holders of Domestic Shares, except that, to be valid, the form of proxy and the relevant power of attorney (if any) and other relevant documents of authorisation (if any) must be delivered to the Secretary to the Board not less than 24 hours before the time appointed for the EGM (or any adjournment thereof). The address of the Secretary to the Board is stated in note 3 above.
8. A Shareholder or his proxy should produce proof of identity when attending the EGM (or any adjournment thereof). If a corporate Shareholder’s legal representative or any other person authorised by the board of directors or other governing body of such corporate Shareholder attends the EGM (or any adjournment thereof), such legal representative or other person shall produce his proof of identity, and proof of designation as legal representative and the valid resolution or authorisation document of the board of directors or other governing body of such corporate Shareholder (as the case may be) to prove the identity and authorisation of that legal representative or other person.
9. It is expected that the Meeting will last not more than half day. Shareholders and their proxies attending the Meeting shall bear their own travel and accommodation expenses.