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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, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shanghai Conant Optical Co., Ltd., you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**Shanghai Conant Optical Co., Ltd.**  
**上海康耐特光學科技集團股份有限公司**

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

**(Stock Code: 2276)**

**ANNUAL REPORT FOR THE YEAR 2022**  
**REPORT OF THE DIRECTORS FOR THE YEAR 2022**  
**REPORT OF THE SUPERVISORS FOR THE YEAR 2022**  
**ANNUAL FINANCIAL REPORT FOR THE YEAR 2022**  
**RE-APPOINTMENT OF EXTERNAL AUDITOR FOR THE YEAR 2023**  
**DECLARATION OF FINAL DIVIDEND**  
**DIRECTOR'S REMUNERATION PROPOSAL**  
**GENERAL MANDATE TO ISSUE SHARES**  
**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**  
**AND**  
**NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM of Shanghai Conant Optical Co., Ltd. to be held at the Conference Room, 1/F, No. 555 Chuanda Road, Pudong New Area, Shanghai, the PRC on Wednesday, 14 June 2023 at 10:00 a.m. is set out on pages AGM-1 to AGM-4 of this circular. A form of proxy for the AGM is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)). Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority, and return them to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof for such documents to be valid. Completion and return of the form of proxy will not preclude Shareholders from attending and voting at the meeting or any adjournment thereof if they so wish and, in such event, the form of proxy shall be deemed to be revoked.

24 May 2023

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at the Conference Room, 1/F, No. 555 Chuanda Road, Pudong New Area, Shanghai, the PRC on Wednesday, 14 June 2023 at 10:00 a.m. or any adjournment thereof, the notice of which is set out on pages AGM-1 to AGM-4 of this circular
“Articles of Association”	the articles of association of the Company, currently in force
“Board”	the board of Directors of the Company
“Company”	Shanghai Conant Optical Co., Ltd. (上海康耐特光學科技集團股份有限公司), a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2276)
“CSRC”	China Securities Regulatory Commission
“Director(s)”	director(s) of the Company
“General Mandate to Issue Shares”	a general mandate to be granted to the Board to allot, issue and deal with additional Shares which are not more than 20% of the number of existing issued Shares on the date of the passing of the relevant resolution, details of which are set out in the notice of the AGM
“Group”	collectively, the Company and its subsidiaries
“H Share(s)” or “Share(s)”	overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange and subscribed for and traded in HK dollars
“HK\$” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC

## DEFINITIONS

“Latest Practicable Date”	18 May 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Listing Rules Amendments”	the proposed amendments to the Listing Rules following PRC regulation updates and other proposed rule amendments relating to PRC Issuers as set out in the market consultation paper published by the Stock Exchange on 24 February 2023
“Mandatory Provisions”	the mandatory provisions set forth in the Notice on the Implementation of the Mandatory Provisions for Companies Listing Overseas set forth in Zheng Wei Fa (1994) No. 21 issued on 27 August 1994 by the State Council Securities Policy Committee and the State Commission for Restructuring the Economic System
“PRC” or “China”	the People’s Republic of China, and for the purpose of this circular, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Proposed Amendments”	collectively, Proposed Amendments Part I and Proposed Amendments Part II
“Proposed Amendments Part I”	the proposed amendments to the Articles of Association as set out in Appendix I to this circular
“Proposed Amendments Part II”	the proposed amendments to the Articles of Association as set out in Appendix II to this circular
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of our Company, member(s) of the supervisory committee of the Company
“%”	per cent

References to time and dates in this circular are to Hong Kong time and dates.

LETTER FROM THE BOARD



**Shanghai Conant Optical Co., Ltd.**  
**上海康耐特光學科技集團股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 2276)**

*Executive Directors:*

Mr. Fei Zhengxiang  
Mr. Zheng Yuhong  
Mr. Xia Guoping  
Mr. Chen Junhua

*Registered Office and Head Office:*

4th Floor, Building 35, No. 1-42  
Lane 83, Hongxiang North Road  
Lin-gang Special Area  
China (Shanghai) Pilot Free Trade Zone  
China

*Non-executive Directors:*

Dr. Takamatsu Ken  
Ms. Zhao Xiaoyun

*Principal Place of Business in Hong Kong:*

40th Floor, Dah Sing Financial Centre  
No. 248 Queen's Road East  
Wanchai  
Hong Kong

*Independent Non-executive Directors:*

Dr. Xiao Fei  
Mr. Chen Yi  
Mr. Jin Yiting

24 May 2023

*To the Shareholders*

Dear Sir or Madam,

**ANNUAL REPORT FOR THE YEAR 2022**  
**REPORT OF THE DIRECTORS FOR THE YEAR 2022**  
**REPORT OF THE SUPERVISORS FOR THE YEAR 2022**  
**ANNUAL FINANCIAL REPORT FOR THE YEAR 2022**  
**RE-APPOINTMENT OF EXTERNAL AUDITOR FOR THE YEAR 2023**  
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**GENERAL MANDATE TO ISSUE SHARES**  
**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**  
**AND**  
**NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with information about, among other matters, (i) the annual report for the year 2022; (ii) the report of the directors for the year 2022; (iii) the report of the supervisors for the year 2022; (iv) the annual financial report for the year 2022; (v) the re-appointment of external auditor for the year 2023; (vi) the

## LETTER FROM THE BOARD

declaration of final dividend; (vii) the Director's remuneration proposal; (viii) the General Mandate to Issue Shares and (ix) the proposed amendments to the Articles of Association, to allow you to make an informed decision on voting in respect of the resolutions to be proposed at the AGM.

### **2. ANNUAL REPORT FOR THE YEAR 2022**

An ordinary resolution will be proposed at the AGM to approve the annual report of the Company for the year ended 31 December 2022 (the “**2022 Annual Report**”). Please refer to the 2022 Annual Report which was published on both the websites of the Stock Exchange and the Company on 18 April 2023.

### **3. REPORT OF THE DIRECTORS FOR THE YEAR 2022**

An ordinary resolution will be proposed at the AGM to approve the report of the Directors for the year ended 31 December 2022. The full text of the report of the Directors for the year ended 31 December 2022 is set out in the 2022 Annual Report, which was published on both the websites of the Stock Exchange and the Company on 18 April 2023.

### **4. REPORT OF THE SUPERVISORS FOR THE YEAR 2022**

An ordinary resolution will be proposed at the AGM to approve the report of the Supervisors for the year ended 31 December 2022. The full text of the report of the Supervisors for the year ended 31 December 2022 is set out in the 2022 Annual Report, which was published on both the websites of the Stock Exchange and the Company on 18 April 2023.

### **5. ANNUAL FINANCIAL REPORT FOR THE YEAR 2022**

An ordinary resolution will be proposed at the AGM to approve the consolidated financial statements of the Group and the report of the auditor of the Company for the year ended 31 December 2022. The full text of the consolidated financial statements of the Group and the report of the auditor of the Company for the year ended 31 December 2022 is set out in the 2022 Annual Report, which was published on both the websites of the Stock Exchange and the Company on 18 April 2023.

### **6. RE-APPOINTMENT OF EXTERNAL AUDITOR FOR THE YEAR 2023**

An ordinary resolution will be proposed at the AGM to approve the re-appointment of Ernst & Young as the Company's auditor for a term until the conclusion of the next annual general meeting of the Company and the authorization to the Board to determine the auditor's remuneration.

## LETTER FROM THE BOARD

### 7. DECLARATION OF FINAL DIVIDEND

The Board recommended the payment of a final dividend of RMB0.15 per Share (tax inclusive) for the year ended 31 December 2022, which is subject to the approval by the Shareholders at the AGM.

The final dividend, if approved by the Shareholders at the AGM, will be paid on or before Tuesday, 15 August 2023 to the Shareholders whose names appear on the register of members of the Company on Tuesday, 27 June 2023.

The register of members of the Company will be closed from Tuesday, 20 June 2023 to Tuesday, 27 June 2023 (both days inclusive), during which period no transfer of Shares can be registered. In order to qualify for the payment of final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 19 June 2023.

A relevant ordinary resolution will be proposed at the AGM for Shareholders' consideration and approval.

### 8. DIRECTOR'S REMUNERATION PROPOSAL

Taking into account the actual situation of the Company and the remuneration level of directors in the same industry and other comparable companies, the Remuneration Committee and the Board proposed that the remuneration of Ms. Zhao Xiaoyun, non-executive Director, be determined with reference to the remuneration level of other non-executive Director and be revised from HK\$36,000 per annum to HK\$120,000 per annum.

The Board considers that the remuneration proposal for Ms. Zhao Xiaoyun is in the interests of the Company and its Shareholders as a whole, and recommends the Shareholders to vote in favour of the relevant resolution to be proposed at the AGM.

### 9. GENERAL MANDATE TO ISSUE SHARES

In order to ensure greater flexibility and give discretion to the Directors in the event that it becomes desirable for the Company to issue new Shares, pursuant to the Listing Rules, approval is to be sought from the Shareholders for obtaining the General Mandate to Issue Shares to the Board to exercise the powers of the Company to allot, issue and deal with additional Shares which are not more than 20% of the number of the existing issued Shares at the date of the passing of the relevant resolution. As at the Latest Practicable Date, the Company had issued 426,600,000 Shares. Therefore, subject to the passing of the said special resolution and on the basis that no further Shares are issued after the Latest Practicable Date and up to the date of the AGM, a maximum of 85,320,000 Shares (representing 20% of the existing Shares) can be allotted, issued and/or dealt with by the Board pursuant to the general mandate to be granted by the Shareholders.

## LETTER FROM THE BOARD

It is proposed at the AGM to authorize the Board to deal with matters relating to the change in the registered capital of the Company to reflect the number of Shares to be issued by the Company pursuant to this resolution, to make such appropriate and necessary amendments to the provisions of the Articles of Association relating to the shareholding structure and the registered capital (if applicable) after the issuance of Shares as they think fit and necessary, to fulfil relevant approval, registration and filing procedures pursuant to domestic and foreign legal requirements and to take any other action and complete any formality required to effect the issuance of Shares pursuant to this resolution.

The General Mandate to Issue Shares will expire upon the earliest of: (i) the conclusion of the next annual general meeting following the passing of this resolution; (ii) the date of expiration of 12 months from the date of the passing of the relevant resolution at the AGM; or (iii) the date on which the authority is revoked or varied by a special resolution of Shareholders at a general meeting.

As at the Latest Practicable Date, the Directors had no immediate plans to issue any new Shares pursuant to the General Mandate to Issue Shares.

A relevant resolution will be proposed at the AGM for Shareholders' consideration and approval as a special resolution.

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

Reference is made to the Company's announcement dated 12 May 2023, in relation to the proposed amendments to the Articles of Association.

The Board noted that the Listing Rules have been amended with effect from 1 January 2022 to adopt a uniform set of 14 core standards for shareholder protections (the "**Core Standards**") for issuers regardless of their place of incorporation. Pursuant to the transitional arrangements permitted under Appendix 3 to the Listing Rules, existing issuers listed on the Stock Exchange as at 31 December 2021 would have until their second annual general meeting following 1 January 2022 to make necessary changes to their constitutional documents to conform to the Core Standards set out in Appendix 3 to the Listing Rules.

On 14 February 2023, the State Council of the PRC (the "**State Council**") issued the 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》) (the "**Decision**"), which includes the repeal of the 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 17 February 2023, the CSRC issued the 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》) (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 on Articles of Association of Listed Companies (《上市公司章程指引》) instead of the Mandatory Provisions.



## LETTER FROM THE BOARD

In view of the above PRC Regulation Changes, the Stock Exchange also released a consultation paper “Rule Amendments Following Mainland China Regulation Updates and Other Proposed Rule Amendments Relating to PRC Issuers” (the “**Consultation Paper**”) on 24 February 2023, stipulating the consequential Listing Rules Amendments. In particular, the Stock Exchange proposes to (i) remove the class meeting and related requirements for the issue of new shares by PRC issuers; (ii) repeal Appendix 13D to the Listing Rules, which requires PRC issuers’ articles of association to include the Mandatory Provisions and other ancillary requirements; (iii) amend the Listing Rules in Chapters 9 and 19A to reflect the CSRC record filing regime; (iv) remove the arbitration clause for disputes involving H shareholders as required under the Mandatory Provisions; and (v) modify the other Listing Rules that address issues arising from Domestic Shares and H Shares being treated as different classes. Accordingly, the Company is required to amend its existing Articles of Association to comply with the requirements of the Listing Rules and the applicable laws and regulations of the PRC.

In light of the above, the Board resolved and proposed to make certain amendments to the existing articles of association of the Company in order to, among others, (i) make the articles of association of the Company in line with the latest legal and regulatory requirements, including the latest legal and regulatory updates in the People’s Republic of China and the amendments made to Appendix 3 to the Listing Rules with effect from 1 January 2022; and (ii) make other corresponding and housekeeping amendments.

### **Effective dates of the Proposed Amendments**

According to the Articles of Association and the relevant laws and regulations, the Proposed Amendments Part I, which relates to the incorporation of the Core Standard into the Articles of Association, will take effect subject to the approval of the Shareholders by way of special resolution and the Proposed Amendments Part II, which relates to the PRC Regulation Changes, will take effect subject to the approval of the Shareholders by way of special resolution and the implementation of the Listing Rules Amendments in light of the PRC Regulation Changes becoming effective. Special resolutions in relation to the Proposed Amendments Part I and Proposed Amendments Part II will be proposed at the AGM for the approval by the Shareholders.

Except for the Proposed Amendments as set out in Appendix I and Appendix II to this circular, other articles in the Articles of Association remain unchanged.

### **Impact on shareholder protection**

The Proposed Amendments Part I incorporate amendments to ensure conformity with the Core Standards set out in Appendix 3 to the Listing Rules. The Board is of the view that such amendments will serve to import into the Articles of Association standardised shareholder protection standards in accordance with the current requirements under the Listing Rules, reinforcing and bringing greater clarity in respect of Shareholders’ rights particularly in the areas mentioned above. Hence, the Board are of the view that such amendments are favourable to the Shareholders from the perspective of shareholder protection.

As domestic shares and H shares are regarded as one class of ordinary shares under PRC law following the PRC Regulation Changes and holders of the domestic shares and H shares are no longer deemed to be different classes of shareholders, the substantive rights

## LETTER FROM THE BOARD

attached to these two kinds of shares (including rights on voting, dividend and asset distribution upon liquidation) are the same. According to the Consultation Paper, the removal of the class meeting requirement would not compromise protection of holders of H shares, and such removal is also consistent with the current arrangement for non-PRC issuers with a dual listing on the PRC exchange and the Stock Exchange, the PRC regulations and the Listing Rules do not require shares listed on the different exchanges to be treated as different classes of shares. In addition, the Stock Exchange has stipulated in the Consultation Paper that it considers the arbitration requirements unnecessary and the removal of such requirements will align with the Listing Rules applicable to overseas issuers which do not provide similar arbitration requirements. The Consultation Paper emphasises that after the removal of the arbitration clauses, shareholders of a PRC issuer may enforce their rights under the articles of association in the same approach as shareholders of other overseas issuers. In particular, they may, as with shareholders of an overseas issuer, seek to enforce their rights through commencing legal proceedings in a court of the issuer's place of incorporation or a Hong Kong court.

The legal advisor to the Company as to Hong Kong laws has confirmed that (i) the Proposed Amendments Part I conform with the requirements of the Listing Rules in force on the Latest Practicable Date and (ii) the Proposed Amendments Part II conform with the Listing Rules Amendments and other provisions of the Listing Rules in force on the Latest Practicable Date that are not subject to the Listing Rules Amendments. The legal advisor to the Company as to the laws of the PRC has confirmed that the Proposed Amendments conform with the laws of the PRC. The Company confirms that there is nothing unusual about the Proposed Amendments for a company listed in Hong Kong.

The Articles of Association are prepared in Chinese with no official English version. Any English translation is for reference only. In the event of any inconsistency, the Chinese version shall prevail.

### **11. ANNUAL GENERAL MEETING**

A notice convening the AGM to be held at the Conference Room, 1/F, No. 555 Chuanda Road, Pudong New Area, Shanghai, the PRC on Wednesday, 14 June 2023 at 10:00 a.m. is set out on pages AGM-1 to AGM-4 of this circular.

A proxy form to be used at the AGM is also published on the website of the Stock Exchange. Shareholders who intend to appoint a proxy to attend the AGM shall complete, sign and return the proxy form in accordance with the instructions printed thereon.

If you intend to attend the AGM by proxy, you are requested to complete the enclosed form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority, and return them to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof in order for such documents to be valid. Completion and return of the form of proxy will not preclude Shareholders from attending and voting at the meeting or any adjournment thereof if they so wish and, in such event, the form of proxy shall be deemed to be revoked.

## LETTER FROM THE BOARD

The register of members of the Company will be closed from Thursday, 8 June 2023 to Wednesday, 14 June 2023 (both days inclusive), during which period no transfer of Shares can be registered. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 7 June 2023.

### 12. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules and Article 99 of the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the AGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, each of the resolutions set out in the notice of AGM will be taken by way of poll.

On a poll, every Shareholder present in person or by proxy or in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid Share of which he/she/it is the holder. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all the votes he/she/it uses in the same way.

### 13. RECOMMENDATION

The Directors consider that the resolutions contained in the notice of the AGM are in the interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

### 14. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other matters the omission of which would make any statement herein misleading.

Yours faithfully  
By Order of the Board  
**Shanghai Conant Optical Co., Ltd.**  
上海康耐特光學科技集團股份有限公司  
**Fei Zhengxiang**  
*Executive Director and Chairman of the Board*

*The following are the details of the Proposed Amendments Part I to the Articles of Association. Deleted texts are presented in strikethrough and additional texts are presented in underline.*

Unless otherwise specified, clauses, paragraphs and article numbers referred to herein are clauses, paragraphs and article numbers of the Articles of Association.

### **Proposed Amendments Part I to the Articles of Association**

<b>Article No.</b>	<b>Proposed amendments showing changes to the existing Articles of Association</b>
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43.	<p>Pursuant to the understanding and agreement reached between the securities regulatory authority of the State Council and the overseas securities regulatory authorities, the Company may keep the original overseas listed foreign share register overseas and appoint overseas agent(s) to manage it. The original copy of the register of holders of overseas listed foreign shares listed in Hong Kong shall be kept in Hong Kong.</p>
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The Company shall guarantee the register of holders of foreign shares listed overseas is open to inspections during business hours by the shareholders without charge at the appointed overseas agent(s). The register of holders of foreign shares may, after notice has been given by advertisement in an appointed newspaper or any other newspapers in accordance with the requirements of any designated stock exchange or by means of digital media which may be accepted by the designated stock exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.

...

80.

...

If the shareholder is a recognized clearing house (or its agent) meeting the definitions in the relevant Hong Kong ordinances formulated from time to time, the said shareholder may authorize one or more persons as it deems appropriate to act on its behalf at any general meeting, ~~or~~ class general meeting or any creditors meetings. However, if more than one person is thus authorized, the power of attorney shall state the number and type of shares in respect of which each such person is authorized and shall be signed by the authorized officer of the recognized clearing house. The persons thus authorized may attend a meeting on behalf of the recognized clearing house (or its agent) and exercise the same powers as if he were an individual shareholder of the Company without the need to produce the shareholding certificates, the notarized power of attorney and/or further evidence of formal authorization.

98. Shareholders (including proxies) have the rights to speak at the general meeting, and shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share.
- ...
116. Directors shall be elected or changed at the general meeting, and may be removed at the shareholders' general meeting before the expiration of their term of office and serve a term of three years for each session. A director may serve consecutive terms if re-elected upon the expiry of his term, unless otherwise stipulated by the relevant laws, regulations, these Articles of Association and listing rules of the stock exchange of the place where the Company's shares are listed.
- ...
- Without violation of relevant laws and regulations and the regulatory rules of the place where the shares of the Company are listed, all directors appointed to fill casual vacancies to the board of directors or newly appointed directors shall be subject to election by shareholders at the first annual general meeting after their appointment.
- ...
204. The Company's appointment of an accounting firm must be determined by the general meeting by ordinary resolution. The board of directors shall not appoint an accounting firm prior to the decision of the general meeting, ~~except for the circumstance as prescribed in Article 200 of these Articles of Association.~~
206. Audit fee Remuneration of the accounting firm ~~or the manner in which such firm is to be remunerated~~ shall be decided at the general meeting by ordinary resolution. ~~Remuneration of the accounting firm appointed by the board of directors shall be decided by the board of directors.~~

213. The Company shall be dissolved and liquidated according to the law under any of the following circumstances:
- (I) other circumstances triggering dissolution of the Company as set forth in these Articles of Association;
  - (II) the general meeting resolves to dissolve the Company by special resolution;
  - (III) dissolution is necessary as a result of the merger or division of the Company;
  - ~~(IV) the Company is declared bankrupt in accordance with law because it is unable to pay its debts as they fall due;~~
  - ~~(IV)~~ the Company's business licence is revoked or it is ordered to close down or it is deregistered according to laws; or
  - ~~(V)~~ serious difficulties arise in the operation and management of the Company and its continued existence would cause material loss to the interests of the shareholders and such difficulties cannot be resolved through other means, in which case shareholders holding not less than 10% of all shareholders' voting rights of the Company may petition a people's court to dissolve the Company.

This Appendix sets out the full text of the proposed new Articles of Association with the Proposed Amendments Part II marked up against the existing Articles of Association (with Proposed Amendments Part I incorporated) for ease of reference, as follows:

**Shanghai Conant Optical Co., Ltd.**

**Articles of Association**

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## CHAPTER 1 GENERAL PROVISIONS

**Article 1** In order to safeguard the legitimate rights and interests of Shanghai Conant Optical Co., Ltd. (the “Company”), its shareholders and creditors, and to regulate the organization and activities of the Company, these Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies ~~the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies~~ (the “~~Trial Measures~~Special Regulations”), ~~the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas,~~ the Guidelines for the Articles of Association of the Listed Companies (“the Guidelines”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and other relevant regulations.

**Article 2** The Company is a limited liability company established in accordance with the Company Law, the ~~Trial Measures~~Special Regulations, and other relevant laws, administrative regulations or regulatory documents of the People’s Republic of China (the “PRC”).

The Company is a limited liability company established through the complete reorganization of Shanghai Conant Optical Co., Ltd. (上海康耐特光學科技集團有限公司) (“Conant Limited”) by converting the audited net assets of RMB307,558,901.26 to 305,000,000 ordinary shares with a face value of RMB1 per share by the ratio of 1:0.9917 on the base date of 31 January 2021. The Company was registered with the Shanghai Municipal Administration for Market Regulation on 23 February 2021, and obtained the Business License. The unified social credit code of the Company’s Business License: 91310115MA1HA3CA5Y.

The Company has a total of 9 promoter shareholders, including 4 non-natural person shareholders, namely Shanghai Shuyun Enterprise Management Partnership (Limited Partnership)\*, Jiaxing Huiyi Investment Partnership (Limited Partnership)\*, Shanghai Fengchang Enterprise Management Partnership (Limited Partnership)\* and Ningbo Meishan Bonded Port Zone Zhourong Lianer Investment Partnership (Limited Partnership), respectively; and 5 natural person shareholders, namely Qian Yaoming, Huang Anfen, Lan Zhiping, Fan Senxin and Fei Zhengxiang, respectively.

- Article 3** Registered Chinese name of the Company: 上海康耐特光學科技集團股份有限公司. English name of the Company: Shanghai Conant Optical Co., Ltd.
- Article 4** Company address: 4th Floor, Building 35, No. 1-42, Lane 83, Hongxiang North Road, Lin-gang Special Area, China (Shanghai) Pilot Free Trade Zone, China
- Article 5** The chairman of the board of directors is the legal representative of the Company.
- Article 6** The Company is a limited liability company in perpetual existence. The Company is an independent corporate legal person, has independent legal person properties, and enjoys the property rights of legal person, enjoys civil rights according to law, and bears civil liability. All actions of the Company shall comply with the provisions of the PRC laws, regulations and regulatory documents and shall protect the legitimate rights and interests of shareholders. The Company is governed and protected by the PRC laws, regulations and regulatory documents.
- Article 7** All the Company's capital shall be divided into equal shares. Shareholders shall assume liabilities to the Company to the extent of the shares subscribed by them. The Company shall be liable for its debts to the extent of its total assets.

**Article 8** The Articles of Association takes effect from the date of listing and trading of the Company's overseas listed foreign shares on The Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange") upon adoption by the Company's general meeting and approval by filing with the relevant departments of the PRC. These Articles of Association replace the articles of association and the amendments thereof that the Company originally registered in the competent market supervision and administration department.

**Article 9** Once effective, the Articles of Association shall constitute a legally binding document to regulate the organization and activities of the Company, the rights and obligations between the Company and its shareholders and among the shareholders.

The Articles of Association shall be legally binding on the Company and its shareholders, Directors, Supervisors, and senior management, all of whom are entitled to claim rights regarding the Company's affairs in accordance with the Articles of Association and bear the corresponding obligations.

~~Without prejudice to the provisions of Article 231 of the Articles of Association,~~ In accordance with the Articles of Association; a shareholder may take legal action against other shareholders, shareholders may take legal action against the Directors, Supervisors and senior management of the Company; shareholders may take legal action against and the Company and the Company may take legal action against its shareholders.

The actions referred to in the preceding paragraph include institution of proceedings in a court or making application to an arbitration institution for arbitration.

The "senior management" as referred to in the Articles of Association refers to the Company's general manager, deputy general manager, chief financial officer, secretary to the board of directors, and other persons who are explicitly appointed by the board of directors as the senior management of the Company. The "general manager" and "deputy general manager" as mentioned in the Articles of Association refer to "manager" and "deputy manager" in the Company Law, and the "chief financial officer" is the "person in charge of finance" in the Company Law.

**Article 10** The Company may invest in other limited liabilities companies and joint stock limited liabilities companies and shall assume liabilities to the investees to the extent of the amount of its capital contribution, provided that it shall not become an investor that shall bear joint and several liabilities for the debts of the investees unless otherwise provided by laws. According to the needs of business development and as authorized by relevant governmental authorities, the Company may establish subsidiaries or branches, representative offices or offices outside China and the Hong Kong Special Administrative Region (“Hong Kong”), the Macao Special Administrative Region (“Macau”) and Taiwan region.

## CHAPTER 2 BUSINESS PURPOSES AND SCOPE

**Article 11** The business purposes of the Company is: to strengthen economic cooperation and technological exchange, develop production technology for resin lenses, introduce high-tech optical materials, open up the domestic and foreign spectacles markets, make products and services highly competitive at home and abroad, bring satisfactory economic benefits to all investors and create benefits for the society.

**Article 12** Upon registration according to law, the business scope of the Company is: Licensed Items: transportation of goods through highway (excluding hazardous goods). (Items which need approvals according to laws shall be subject to the approvals of relevant authorities before operation activities can be carried out, and the specific items are subject to the approval documents or licenses of relevant departments) General Items: engagement in technology development, technology transfer, technical consultation and technical service in the professional fields of optical technology, network technology, intelligent technology, electronic technology and computer science and technology; import and export of technology; import and export of goods; spectacles sales (excluding contact lenses); sales of engineering plastics and synthetic resins; sales of optical instruments; selling agents; sales of Class 1 medical appliances; sales of Class 2 medical appliances; property management; landscaping project construction; real estate broker; online sales (other than sales of goods which is subject to permission). (except for items that are subject to approval in accordance with laws, the business activities shall be conducted independently with the business licences in accordance with laws).

The above business scope shall be subject to the items approved by the competent market supervision and administration department.

## CHAPTER 3 SHARES, REGISTERED CAPITAL AND SHARE TRANSFERS

- Article 13** ~~There must be ordinary shares in the Company at all times. Subject to approval of the approval authority authorized by the State Council, the Company may create other classes of shares according to its needs.~~
- Article 134** The shares of the Company shall take the form of share certificates. The shares issued by the Company shall have a par value of RMB1 each.
- The term “RMB” as mentioned in the preceding paragraph refers to the legal currency of China.
- Article 145** The shares of the Company shall be issued in accordance with the principles of open, fairness and justice. Each share of the same class shall carry the same rights.
- Shares of the same class and in the same issue shall be issued on the same conditions and at the same price. Any entity or individual shall pay the same price for each of the Shares it/he/she subscribes for.
- Article 156** ~~Upon filing with approval by~~ the securities regulatory authorities of the State Council, the Company may issue shares to domestic investors and foreign investors.
- In the preceding paragraph, “foreign investors” mean those investors from foreign countries and from the regions of Hong Kong, Macau and Taiwan who subscribe for shares issued by the Company, and “domestic investors” mean those investors within the territory of the PRC excluding the regions mentioned above who subscribe for shares issued by the Company.
- Article 167** Shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as “domestic shares”, and shares issued by the Company to overseas investors for subscription in foreign currency shall be referred to as “foreign shares”. Foreign shares which are listed outside the PRC shall be referred to as “overseas listed foreign shares”. Both holders of domestic shares and holders of foreign shares listed overseas are ordinary shareholders who have same obligations and rights.

Foreign currency referred to in the preceding paragraph means a freely convertible legal currency of other countries or regions (other than Renminbi) which is recognized by the competent foreign exchange administration authority of the PRC and can be used for payment of the Company's shares.

The overseas listed foreign shares issued by the Company in Hong Kong ("H Shares") are shares which have been admitted for listing on the Hong Kong Stock Exchange, the par value of which is denominated in Renminbi, and which are subscribed for and traded in Hong Kong dollars.

**Article 178**

The Company issued 305,000,000 ordinary shares to its promoters upon its establishment with a face value of RMB1 per share. The number of shares subscribed for by each promoter is as follows:

Name of promoters	Number of shares subscribed for (shares)	Percentage of shareholding
Fei Zhengxiang	212,740,030	69.7508%
Fan Senxin	12,200,000	4.0000%
Qian Yaoming	10,980,000	3.6000%
Huang Anfen	6,100,000	2.0000%
Lan Zhiping	2,745,000	0.9000%
Shanghai Shuyun Enterprise Management Partnership (Limited Partnership)*	18,396,670	6.0317%
Shanghai Fengchang Enterprise Management Partnership (Limited Partnership)*	11,948,300	3.9175%
Ningbo Meishan Bonded Port Zone Zhourong Lianer Investment Partnership (Limited Partnership)	14,945,000	4.9000%
Jiaxing Huiyi Investment Partnership (Limited Partnership)*	14,945,000	4.9000%
Total	305,000,000	100.0000%

- Article 189** Upon approval by the securities regulatory authorities of the State Council, the Company can issue not exceeding 139,840,000 overseas listed foreign shares with a face value of RMB1 per share, all of which are ordinary shares.
- Upon approval by the securities regulatory authorities of the State Council, all the promoters have converted all the non-listed shares of the Company they hold into overseas listed foreign shares (H shares).
- The share capital structure of the Company is as follows: 426,600,000 ordinary shares, including 305,000,000 overseas listed foreign shares converted from domestic shares and 121,600,000 other overseas listed foreign shares.
- Article 1920** The domestic shares issued by the Company are centrally deposited in China Securities Depository and Clearing Co., Ltd. The Company's H shares are mainly under the custody of Central Depository of the Hong Kong Securities Clearing Company Limited and may also be held by shareholders in their own names.
- Article 21** ~~Upon approval by the securities regulatory authority of the State Council of the proposal for issue of domestic shares and overseas listed foreign shares of the Company, the board of directors of the Company may make arrangements for a separate issue.~~
- ~~The separate issue of the overseas listed foreign shares and domestic shares shall be completed within fifteen months from the date of approval by the securities regulatory authority of the State Council, unless otherwise provided by the securities regulatory authority of the State Council.~~
- Article 22** ~~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 shall be fully subscribed for at their respective offerings. If the shares are not fully subscribed for at their respective offerings due to exceptional circumstances, these shares may be issued in separate tranches subject to approval of the securities regulatory authorities under the State Council.~~
- Article 203** The registered capital of the Company is RMB426,600,000.

- Article 214** Unless otherwise stipulated in laws, administrative regulations or the listing rules of the region where its shares are listed or the Articles of Association, shares of the Company may be freely transferred according to law and shall be free from all liens. The transfer of shares of the Company shall be registered with a share registrar appointed by the Company.
- Article 225** The Company shall not accept any shares of the Company as the subject of a pledge.
- Article 236** Shares of the Company held by the promoters shall not be transferred within one year from the date of the establishment of the Company. Shares issued prior to the public offering of the Company shall not be transferred within one year from the date on which the shares of the Company were listed and traded on the stock exchange(s).
- The directors, supervisors and senior management of the Company shall report to the Company the shares held by them and the changes thereof. During the term of their office, the shares transferred by any of them each year shall not exceed 25% of the total shares of the Company they hold. The shares of the Company held by the aforesaid persons shall not be transferred within one year from the date when the shares of the Company are listed and traded in a stock exchange. If any of the aforesaid persons leaves from his post, he shall not transfer the shares of the Company that he holds within six months from such departure. If the listing rules of the stock exchange in which the shares of the Company are listed provide otherwise on restrictions on transfers of H shares, such rules shall prevail.
- Article 247** Upon ~~filing with approval by~~ the securities regulatory authorities of the State Council, ~~holders of the domestic shares may transfer all or part of the shares held by them to overseas investors, and have the shares listed and traded overseas upon approval of overseas stock exchanges;~~ and all or part of domestic shares may be converted into overseas listed shares that can be listed and traded on overseas stock exchanges. The listing and trading of the above shares on overseas stock exchanges shall also comply with the regulatory procedures, regulations and requirements of such overseas stock markets. No general meeting or class meeting is required with respect to the conversion and/or transfer of the above shares and their listing and trading on overseas stock exchanges. The overseas listed shares converted from the domestic shares are the same class of shares as the original overseas listed shares.



**Article 25** The Company or its subsidiaries (including associated entities of the Company) shall not, by way of a gift, advance, guarantee, compensation, loans or otherwise, provide any financial assistance to a person who purchases or intends to purchase its own shares.

#### CHAPTER 4 CHANGE IN SHARE CAPITAL AND SHARE BUYBACK

**Article 268** In light of its operation and development needs and in accordance with laws and regulations and resolutions of the general meeting, the Company may increase its capital according to relevant provisions of the Articles of Association.

The Company may increase its capital by the following means:

- (I) Public issuance of shares~~Issuing new shares to unspecific investors;~~
- (II) Non-public issuance of shares~~Placing new shares with existing shareholders;~~
- (III) Alloting new shares to existing shareholders;
- (IV) Converting the reserve funds into share capital;
- (V) Other methods permitted by laws and administrative regulations and approved by relevant regulatory authorities.

Upon approval to increase the Company's capital via an issue of new shares according to the provisions of the Articles of Association, the matter shall be dealt with in accordance with the procedures of related laws, administrative regulations of the PRC and supervision rules of the region where the shares of the Company are listed.

**Article 279** As required by the Articles of Association, the Company may decrease its registered capital. The Company's decrease of registered capital shall comply with the procedures stipulated in the Company Law of the People's Republic of China, other related regulations and the Articles of Association.

**Article 2830** If the Company decreases its registered capital, it must prepare a balance sheet and a list of properties.

The Company shall notify the creditors within 10 days after adoption of the resolution to reduce the registered capital and shall publish an announcement in newspapers within 30 days. The creditors shall have the right to require the Company to repay the debts or provide the corresponding guaranty for debt repayment within 30 days after receipt of the notice or within 45 days after the announcement if the creditors fail to receive the notice.

The registered capital of the Company after capital reduction shall not be below the statutory minimum limit.

**Article 2931**

~~As approved following the procedures specified in the Articles of Association and by the relevant competent authorities in the PRC, the Company may buy back its outstanding shares under the following circumstances in accordance with statutory procedures: The Company shall not repurchase its shares, except in one of the following circumstances:~~

- ~~(I) to cancel shares to reduce the registered capital of the Company;~~
- ~~(II) to merge with other companies that hold shares in the Company;~~
- ~~(III) to use the shares for employee shareholding schemes or as share incentives;~~
- ~~(IV) to acquire the shares of shareholders (upon their request) who vote against any resolution adopted at any general meetings on the merger or division of the Company;~~
- ~~(V) to use the shares to satisfy the conversion of those corporate bonds convertible into shares issued by the listed Company;~~
- ~~(VI) to safeguard corporate value and shareholders' equity as the listed Company deems necessary;~~
- ~~(VII) other methods permitted by laws, administrative regulations and listing rules of the stock exchange on which the listed Company's shares are listed.~~

~~The Company shall not trade its shares unless in the aforesaid circumstances.~~

**Article 302**

The Company may purchase its shares through the method of open and centralized trade, or other methods authorized by laws, administrative regulations, the China Securities Regulatory Commission or the Listing Rules.

If the Company acquires its own shares under the circumstances provided in items (iii), (v) and (vi) of the first paragraph of Article 29 of the Articles of Association, it shall be carried out by open and centralized trade.

~~The Company may repurchase its shares in one of the following ways with approval from the relevant competent authorities in the PRC:~~

- ~~(I) making a pro rata general repurchase offer to all shareholders;~~
- ~~(II) repurchasing shares through public trading in a stock exchange;~~
- ~~(III) repurchasing shares based on an agreement outside a stock exchange;~~
- ~~(IV) by other means as permitted by relevant regulatory authorities.~~

**Article 33**

~~Where the Company buys back the shares by an agreement outside a stock exchange, it shall obtain prior approval at the general meeting pursuant to the Articles of Association. As approved by the shareholders at the general meeting in the same manner in advance, the Company may cancel or amend the contract signed in the aforesaid manner or waive any of its rights in the contract.~~

~~The contract that buys back the shares mentioned in the preceding paragraph includes (but is not limited to) an agreement that consents to undertake the obligation to buy back the shares and obtain the rights to buy them back.~~

~~The Company shall not transfer any contract that buys back the shares or any rights conferred thereunder.~~

~~In respect of the redeemable shares that the Company has the right to buy back, if the buyback is to be made in a manner other than through market or by tender, the buyback price shall not exceed a specified maximum amount; if the buyback is to be made by tender, such tender offer shall be made available to all shareholders equally on the same terms.~~

**Article 314**

Where the Company acquires its own shares for reasons set forth in clauses (I) and (II) of Article ~~2931~~ hereof, it shall obtain the approval at the general meeting in accordance with the provisions hereunder; where the Company acquires its own shares for reasons set forth in clauses (III), (V) and (VI) of Article ~~2931~~ hereof, a resolution thereon may, pursuant to the requirements of the Articles of Association or the mandate of the shareholders' general meeting, be resolved at a Board meeting that is attended by not less than two-thirds of all directors. Upon the acquisition of its shares by the Company pursuant to the provisions under Article ~~2931~~ hereof, under the circumstance set forth in clause (I), the shares so acquired shall be cancelled within 10 days after the said acquisition; under the circumstances set forth in clauses (II) and (IV), the shares so acquired shall be transferred or cancelled within six months. For the shares repurchased pursuant to the provisions under clauses (III), (V) and (VI) of Article ~~2931~~ hereof, the total number of shares held by the Company shall not exceed 10% of its total issued shares, and the shares so acquired shall be transferred or cancelled within three years.

If there are other provisions in the related laws, administrative regulations, departmental rules, other normative rules and relevant regulations as prescribed by the securities regulatory authorities located at the places where the Company's shares are listed on the aforesaid relevant matters in respect of share repurchase, such provisions shall prevail.

**Article 325**

The Company shall apply to the original company registration authority for registration of change of the registered capital in the event that the shares bought back are cancelled by the Company. The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.

**Article 36**

~~Unless the Company is undergoing liquidation, it shall comply with the following provisions in repurchasing its outstanding shares:~~

- ~~(I) for repurchases of shares by the Company at their par value, payment shall be made from the book balance of distributable profit of the Company or from the proceeds of issuance of new shares for that purpose;~~
- ~~(II) where the Company repurchases its shares at a premium to its par value, payment up to the par value shall be made from the book balance of distributable profit of the Company or from the proceeds of issuance of new shares for that purpose. Payment of the portion which is in excess of the par value shall be made as follows:
  - ~~(1) if the shares being repurchased were issued at par value, payment shall be made from the book balance of distributable profit of the Company;~~
  - ~~(2) if the shares being repurchased were issued at a premium to its par value, payment shall be made from the book balance of distributable profit of the Company and or the proceeds of issuance of new shares for that purpose, provided that the amount deducted from the proceeds of issuance of new shares shall not exceed the aggregate amount of the premium received by the Company from the issuance of the shares so repurchased, nor shall it exceed the amount in the Company's premium account or capital reserve fund account (including premiums on the new share) at the time of such repurchase;~~~~

- (III) ~~the Company shall make the following payments from the Company's distributable profits:~~
- (1) ~~acquisition of the right to repurchase its own shares;~~
  - (2) ~~modification of any contracts for the repurchase of its shares;~~
  - (3) ~~release from any of its obligations under any repurchase contract.~~
- (IV) ~~after the aggregate par value of the cancelled shares is deducted from the Company's registered capital in accordance with relevant provisions, the amount deducted from the distributable profit used for the repurchase of the shares at par value shall be credited to the Company's premium account or capital reserve fund account.~~

#### CHAPTER 5 FINANCIAL ASSISTANCE FOR THE PURCHASE OF COMPANY SHARES

##### Article 37

~~Neither the Company nor its subsidiaries shall at any time provide any financial assistance in any form to purchasers or prospective purchasers of shares of the Company. Purchasers of shares of the Company as referred to above shall include persons that directly or indirectly assumes obligations as a result of purchasing shares of the Company.~~

~~Neither the Company nor its subsidiaries shall at any time provide any financial assistance in any form to the above obligors in order to reduce or release them from their obligations.~~

~~The provisions herein do not apply to the circumstances set out in Article 39 of this Chapter.~~

##### Article 38

~~Financial assistance referred to in this Chapter includes (but is not limited to) financial assistance in the forms set forth below:~~

- (I) ~~gift;~~
- (II) ~~security (including the assumption of liability or the provision of property by the guarantor to secure the performance of obligations by the obligor), indemnity (excluding, however, indemnity arising from the Company's own fault), release or waiver of any rights;~~
- (III) ~~provision of a loan or conclusion of a contract under which the obligations of the Company are to be fulfilled before the fulfilment of obligations of the other party to the contract, or a change in the parties to, or the assignment of rights under, such loan or contract;~~

- (IV) ~~any other form of financial assistance given by the Company when the Company is insolvent or has no net asset or when its net assets would thereby be reduced to a material extent.~~

~~The assumption of obligations referred to in this Chapter means the assumption of obligations by way of contract or by way of arrangement (irrespective of whether such contract or arrangement is enforceable or not, and irrespective of whether such obligations are to be borne by the obligor solely or jointly with other persons), or by any other means which results in a change in the obligor's financial condition.~~

**Article 39**

~~The following acts are not deemed as prohibited under Article 37 of this Chapter:~~

- (I) ~~the financial assistance provided by the Company is either genuinely for the interests of the Company and the main principal purpose of such financial assistance is not to purchase shares of the Company, or the financial assistance is an incidental part of certain overall plan of the Company;~~
- (II) ~~the lawful distribution of the Company's properties by way of dividends;~~
- (III) ~~the allotment of bonus shares as dividends;~~
- (IV) ~~a reduction of registered capital, repurchase of shares or adjustment of the share capital structure effected in accordance with these Articles of Association;~~
- (V) ~~the provision by the Company of a loan within its scope of operation and 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 its distributable profit);~~
- (VI) ~~the provision of funds by the Company for an employee shareholding schemes (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 its distributable profit).~~

## CHAPTER 56 SHARE CERTIFICATES AND REGISTER OF MEMBERS

**Article 3340**

The Company shall create a register of shareholders based on the evidence provided by a securities registry, the register of shareholders is a sufficient evidence of shareholders' shareholding in the Company. A shareholder shall enjoy the rights and bear the obligations according to the class of the shares held by him/her; shareholders who hold shares of the same class shall enjoy the same rights, bear the same obligations. The share certificates shall be in registered form.

~~Matters specified in the share certificates shall also include other matters required by the stock exchange where the shares are listed, in addition to those specified in the Company Law.~~

**Article 41**

~~The overseas listed foreign shares issued by the Company may take the form of overseas depository receipts or other forms of share derivatives pursuant to the laws of the region where its shares are listed and securities registration and depository practices. The share certificates shall be signed by the chairman of the board of directors of the Company. Where the stock exchange on which the shares of the Company are listed requires the share certificates to be signed by other senior management of the Company, the share certificates shall also be signed by such other senior management. The share certificates shall take effect after being affixed or printed with the seal of the Company. The share certificates shall only be affixed with the Company's seal with the authorisation of the board of directors. The signatures of the chairman of the board of directors or other relevant senior management on the share certificates may also be in printed form. If the Company's shares are issued and traded in paperless form, the regulations of the securities regulator of the place where the shares of the Company are listed shall apply.~~

**Article 42**

~~The Company shall keep a register of members, in which the following items shall be recorded:~~

- ~~(I) the name, address (place of domicile), occupation or nature of business of each shareholder;~~
- ~~(II) the class and number of shares held by each shareholder;~~
- ~~(III) the amount paid-up or payable in respect of shares held by each shareholder;~~



- ~~(IV) the serial numbers of the shares held by each shareholder;~~
- ~~(V) the date on which each shareholder was registered as a shareholder;~~
- ~~(VI) the date on which any shareholder ceased to be a shareholder.~~

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

**Article 3443**

Pursuant to the understanding and agreement reached between the securities regulatory authority of the State Council and the overseas securities regulatory authorities, the Company may keep the original overseas listed foreign share register overseas and appoint overseas agent(s) to manage it. The original copy of the register of holders of overseas listed foreign shares listed in Hong Kong shall be kept in Hong Kong.

The Company shall guarantee the register of holders of foreign shares listed overseas is open to inspections during business hours by the shareholders without charge at the appointed overseas agent(s). The register of holders of foreign shares may, after notice has been given by advertisement in an appointed newspaper or any other newspapers in accordance with the requirements of any designated stock exchange or by means of digital media which may be accepted by the designated stock exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.

The Company shall maintain a duplicate of the register of holders of overseas-listed foreign shares at its place of domicile. The designated overseas agent(s) shall ensure consistency between the original version and the duplicate register of holders of overseas-listed foreign shares at all times.

If there is any inconsistency between the original and the duplicate register of holders of overseas-listed foreign shares, the original version shall prevail.

**Article 3544**

The Company shall maintain a complete register of members.

The register of members shall include the following parts:

- (I) the register of members which is maintained at the Company's place of domicile (other than those registers of members which are described in paragraphs (II) and (III) of this Article);
- (II) the register of members in respect of the holders of overseas-listed foreign shares of the Company which is maintained at the place where the overseas stock exchange on which the shares are listed is located;
- (III) the register of members which is maintained in such other place as the board of directors may consider necessary for the purpose of listing of the Company's shares.

**Article 45**

~~Different parts of the register of members shall not overlap one another. No transfer of the shares registered in any part of the register shall, during the existence of that registration, be registered in any other part of the register of members.~~

~~Alteration or rectification of each part of the register of members shall be made in accordance with the laws of the place where that part of the register of members is maintained.~~

**Article 46**

~~All overseas listed foreign shares listed in Hong Kong for which the share capital has been paid in full may be transferred freely in accordance with these Articles of Association. The board of directors may refuse to recognize any transfer instrument without giving any reason unless such transfer is carried out in compliance with the following conditions:~~

- (I) ~~A fee (as per each transfer instrument) of HK\$2.50, or such higher fee as may then be prescribed by the Hong Kong Stock Exchange, has been paid to the Company for the purpose of registration of any transfer instrument and other documents which are related to or will affect the title to the shares;~~
- (II) ~~The transfer instrument only involves overseas listed foreign shares listed in Hong Kong;~~
- (III) ~~The due stamp duty for transfer instrument has already been paid;~~

- (IV) ~~relevant share certificates and evidence that the transferor has the right to transfer such shares as reasonably required by the board of directors have been provided;~~
- (V) ~~If the shares are to be transferred to joint holders, the number of the joint holders shall not exceed four;~~
- (VI) ~~The Company does not have any lien on the relevant shares.~~

~~Where the board of directors refuses to register the transfer of shares, the Company shall deliver a notice to the transferor and transferee, informing them of such refusal of the registration of share transfer, within two months from the date on which the application for the transfer of shares is officially filed.~~

~~Any shareholder of overseas listed foreign shares may transfer all or part of the shares they hold through a transfer instrument in usual written form in the relevant place(s) in which the foreign shares are listed or in such other form as the board of directors may accept. The transfer of H shares may adopt the standard transfer form prescribed by the Hong Kong Stock Exchange. The transfer instrument may be under hand but need not be under seal only or, if the transferor or transferee is a clearing house defined under Hong Kong Securities and Futures Ordinance or its nominee(s), a handwritten or machine imprinted signature shall be acceptable.~~

~~All transfer instruments shall be maintained at the statutory address of the Company, the address of share transfer or other place designated by the board of directors from time to time.~~

**Article 3647**

Requirements on the closure of register of members before general meetings or record dates for determining the entitlement to dividends prescribed by laws, regulations or relevant stock exchanges or securities regulatory authorities of the regions where shares of the Company are listed shall be observed.

The aforesaid period of closure of registers of members shall not exceed thirty (30) days within one year, but can be extended by thirty (30) days at most upon approval of the shareholders' general meetings, or otherwise in the manner as permitted under section 632 of the Companies Ordinance of Hong Kong.

**Article 3748**

When the Company convenes the general meeting, pays dividends, goes into liquidation or is involved in other actions that require the confirmation of shareholders' identity, the board of directors or the convenor of the general meeting shall fix a date as the equity registration date, upon expiration of which the shareholders whose names appear on the register of members shall be the shareholders entitled to relevant rights and interests.

If the Company receives an application for inspection of the register of members during the period of closure of the register of members, it shall issue a certificate signed by the company secretary, specifying the approval/reporting authority and the period for closure of the register of members.

**Article 49**

~~Any person who challenges the register of members and requests to have his/her name included in or removed from the register of members may apply to the court having jurisdiction for rectification of the register of members.~~

**Article 50**

~~Any shareholder who is registered in, or any person who requests to have his name entered into, the register of members may apply to the Company for issuance of a replacement share certificate in respect of such shares (the "Relevant Shares") if his/her share certificate (the "Original Share Certificate") is lost.~~

~~Applications for the replacement of domestic investment share certificates shall be dealt with in accordance with the relevant provisions of the Company Law.~~

~~Applications for the replacement of overseas listed share certificates shall be dealt with in accordance with the laws, regulations, the rules of the stock exchange and other relevant regulations of the place where the original register of holders of overseas listed shares is kept.~~

~~Where holders of H shares apply for replacement of lost certificates, such replacement shall comply with the following requirements:~~

- ~~(I) The applicant shall submit the application in the form prescribed by the Company accompanied by a notarial certificate or statutory declaration. The notarial certificate or statutory declaration shall include the applicant's reason for the application, the circumstances and proof of the loss of the share certificate and a declaration stating that no other person may require registration as a shareholder in respect of the Relevant Shares.~~

- ~~(II) The Company has not received any declaration requiring registration as a shareholder in respect of the shares from any person other than the applicant before it decides that a replacement share certificate shall be issued.~~
- ~~(III) If the Company decides to issue a replacement share certificate to the applicant, it shall publish a public announcement of its intention in the newspapers or periodicals designated by the board; the period of the public announcement shall be 90 days, during which such announcement shall be published repeatedly at least once every 30 days.~~
- ~~(IV) Before publishing the public announcement of its intention to issue a replacement share certificate, the Company shall submit a copy of the announcement to be published to the stock exchange where it is listed and may proceed with the publication upon receipt of a reply from the stock exchange confirming that the announcement has been displayed in the stock exchange. The public announcement shall be displayed in the stock exchange for a period of 90 days.~~

~~If the application for issuance of a replacement share certificate was made without consent of the registered holder of the Relevant Shares, the Company shall mail to such shareholder a photocopy of the public announcement that it intends to publish.~~
- ~~(V) Upon expiry of the 90-day period specified in Items (3) and (4) hereof, if the Company has not received any objection to the issuance of a replacement share certificate from any person, it may issue a replacement share certificate according to the application of the applicant.~~
- ~~(VI) When the Company issues a replacement share certificate under this Article, it shall immediately cancel the Original Share Certificate and record such cancellation and the issuance of the replacement share certificate in the register of members.~~
- ~~(VII) All expenses for the cancellation of the Original Share Certificate and issuance of a replacement share certificate shall be borne by the applicant. The Company shall be entitled to refuse to take any action until reasonable guarantee is obtained from the applicant.~~

**Article 51** ~~After the Company has issued a replacement share certificate in accordance with these Articles of Association, it shall not delete from the register of members the name of a bona fide purchaser of the replacement share certificate mentioned above or of a shareholder that is subsequently registered as the owner of the shares (provided that he is a bona fide purchaser).~~

**Article 52** ~~The Company shall not have any obligation to indemnify any person for any damage suffered thereby arising out of the cancellation of the Original Share Certificate or the issuance of a replacement share certificate, unless such person concerned can prove fraud on the part of the Company.~~

#### CHAPTER ~~67~~ RIGHTS AND OBLIGATIONS OF THE SHAREHOLDERS

**Article 53** ~~A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is recorded in the register of members.~~

~~A shareholder shall enjoy relevant rights and assume relevant obligations in accordance with the class and number of shares he/she holds. Shareholders holding the same class of shares shall have the same rights and assume the same obligations.~~

**Article 38** ~~Shareholder of every class shall enjoy equal rights in the distribution of dividend or distribution in any other form.~~

~~For a corporate shareholder, its legal representative or a proxy appointed thereby shall exercise the rights on its behalf.~~

~~Where two or more than two persons are registered as joint shareholders of any share, they shall be deemed as joint holders of the relevant share, and shall be restricted by the following terms:~~

- ~~(I) The Company needs not register more than four persons as joint shareholders for any shares;~~
- ~~(II) All joint shareholders of any share shall bear the joint and several liabilities for the payable amount of the relevant share.~~

In the circumstance of joint shareholders:

- (I) ~~In case of death of one of the joint shareholders, only the other surviving joint shareholder(s) shall be deemed as owner of the shares, but for the purpose of revising the register of shareholder, the board is entitled to demand the surviving shareholder(s) to provide a death certificate as the board thinks fit.~~
- (II) ~~In relation to the joint holders of any shares, only the joint shareholder who ranks first in the register of members shall have the right to receive the share certificates of the relevant shares from our Company and receive any notice of our Company; any notice served on the aforesaid person shall be deemed to have been served on all the joint holders of the relevant shares. Any joint shareholder may sign the form of proxy. If there are more than one joint shareholder present in person or by proxy, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholder(s). For this purpose, seniority of the shareholders will be determined by the order in which the names of the joint holders of the relevant shares stand in our register of members.~~

~~Where one of the joint shareholders delivers receipt to the Company as regards to any dividends, bonus or return of capital which shall be distributed to such joint shareholders, such receipt shall be deemed as valid receipt from such joint shareholders to the Company.~~

**Article 3954**

Holders of the ordinary shares of the Company shall enjoy the following rights:

- (I) the right to dividends and other distributions in proportion to the number of shares held;
- (II) the right to propose, convene, preside over, attend or appoint proxies to attend general meetings and to exercise the corresponding voting right;
- (III) the right to supervise, present proposals or raise enquiries in respect of the Company's business operations;

- (IV) the right to transfer, give as a gift or pledge the shares it holds in accordance with laws, administrative regulations, the listing rules of the stock exchange where our shares are listed and the Articles of Association;
- (V) the right to inspect these Articles, the register of members, counterfoils of corporate bonds, minutes of shareholders' general meetings, resolutions of the meetings of board of directors and supervisors and the financial and accounting report; the right to obtain relevant information in accordance with the Articles of Association, including:
1. ~~The right to obtain a copy of the Articles of Association, subject to payment of the cost;~~
  2. ~~The right to inspect and copy, subject to a payment of a reasonable fee:~~
    - (1) ~~All parts of the register of members;~~
    - (2) ~~Personal information of each of the Company's directors, supervisors and senior management, including:~~
      - a. ~~present and former name or alias;~~
      - b. ~~principal address (place of domicile);~~
      - c. ~~nationality;~~
      - d. ~~full-time and all other part-time occupations and positions;~~
      - e. ~~identity document and its number.~~
    - (3) ~~the state of the Company's issued share capital;~~
    - (4) ~~reports showing the aggregate par value, quantity, the maximum and minimum prices paid in respect of each class of shares repurchased by the Company since the end of the last financial year, and the aggregate amount paid by the Company for this purpose;~~
    - (5) ~~minutes of general meetings (for the Company's shareholders' inspection only).~~



(VI) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining property of the Company in proportion to the number of shares held;

(VII) where shareholders raise objections to resolutions adopted by the shareholders' general meeting on the merger or division of the Company, and thus require the Company to repurchase the shares held by the dissenting shareholders;

(VIII) such other rights conferred by laws, administrative regulations, departmental rules or the Articles of Association.

~~Where any person directly or indirectly having rights and interests fail to disclose such rights and interests, the Company shall not exercise its rights to harm any right of such person attached to the shares merely out of such reason.~~

**Article 55**

~~When a shareholder requests to have access to the information mentioned in the preceding Articles, he shall present evidence to prove the class and amount of shareholding in writing. The Company shall comply with the shareholder's request after verifying his identity, and may charge reasonable fees for providing copies of the foregoing materials.~~

~~Shareholders shall keep confidential the Company's trade secrets and make reasonable use of the Company's information in exercise of the above right to know. Shareholders shall be liable for compensation if they violate their confidentiality obligations and cause damages to the Company.~~

**Article 4056**

In the event that any resolution of the general meeting or the board of directors of the Company violates laws or administrative regulations, any shareholder is entitled to request the court to deem it as invalid.

In the event that the convening procedure or voting method of the general meeting or meeting of the board of directors is in violation of laws, administrative regulations or the Articles of Association, or resolution of which violates the Articles of Association, any shareholder is entitled to ask the court to overturn it within 60 days after the resolution was made.

**Article 4157**

Where a Director or senior management contravenes the laws, administrative regulations or the Articles of Association in the performance of his/her duties resulting in any loss to the Company, shareholder(s) holding individually or in aggregate not less than 1% of the Company's shares consecutively for not less than 180 days shall have the right to request in writing that the board of supervisors institute litigation in a people's court. Where a Supervisor violates the laws, administrative regulations or the Articles of Association in the discharge of his/her duties resulting in any loss to the Company, such shareholder(s) may request in writing that the board of directors institute litigation in a people's court.

If the board of supervisors or the board of directors refuses to commence litigation upon receipt of the shareholder's written request under the preceding paragraph, or does not commence litigation within 30 days upon receipt of the request, or the situation is so urgent that without an immediate litigation it will cause irreparable losses to the Company, the shareholders so entitled under the previous paragraph may commence litigation directly at the people's court under their own names for the interest of the Company.

If any person intervenes with the lawful interests of the Company and result in losses suffered by the Company, a shareholder so entitled under the first paragraph of this Article may commence litigation at the people's court in accordance with the two preceding paragraphs.

**Article 4258**

Where a Director or senior management contravenes any laws, administrative regulations or the Articles of Association in infringement of shareholders' interests, a shareholder may institute litigation at a people's court.

**Article 4359**

Holders of the ordinary shares of the Company shall have the following obligations:

- (I) to abide by laws, administrative regulations and the Articles of Association;
- (II) to pay the share subscription price based on the shares subscribed for by them and the method of acquiring such shares;
- (III) not to return Shares unless prescribed otherwise in laws and regulations;
- (IV) not to abuse shareholders' rights to infringe upon the interests of the Company or other shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of shareholders to harm the interests of the Company's creditors;

Any shareholder who abuses shareholders' rights and causes the Company or other Shareholders to suffer a loss shall be liable for making compensation in accordance with the law.

Any shareholder who abuses the status of the Company as an independent legal entity or the limited liability of shareholders to evade debts and severely harm the interests of the Company's creditors shall assume joint and several liability for the Company's debts.

- (V) to assume other obligations required by laws, administrative regulations and these Articles of Association.

~~Shareholders shall not be liable to make any further contributions to the share capital other than according to the terms agreed by the subscribers at the time of share subscription.~~

**Article 4460**

Controlling shareholders and de facto controllers of the Company shall not use their connected relationships to harm the interests of the Company. Otherwise, they shall be liable to compensate the Company against losses the Company has thus suffered in violation of the regulations.

~~Controlling shareholders and de facto controllers shall act in good faith to the Company and other public shareholders thereof. Controlling shareholders shall strictly and legally exercise the rights of capital contributors and shall not impair the lawful rights of the Company and other public shareholders by such means as profit distribution, assets reorganization, external investment, appropriation of funds, borrowing and loan guarantee, nor shall they with their controlling status damage the interests of the Company and other public shareholders. In addition to obligations imposed by laws and administrative regulations or required by the listing rules of the stock exchange where our shares are listed, in exercising his/her right as a shareholder, a controlling shareholder of the Company shall not exercise his/her 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:~~

- ~~(I) to waive a director or supervisor of his responsibility to act honestly in the best interests of the Company;~~
- ~~(II) to approve the expropriation by a director or supervisor (for his/her own benefits or for the benefits of another person), in any way, of the Company's properties, including but not limited to any opportunities beneficial to the Company;~~
- ~~(III) to approve the expropriation by a director or supervisor (for his own benefits or for the benefits of another person) of personal rights of other shareholders, including but not limited to rights to distributions and voting rights save pursuant to a corporate restructuring passed at a general meeting in accordance with the Articles of Association.~~

**Article 61**

~~The term "controlling shareholder" mentioned in the preceding Article refers to a person that satisfies any one of the following conditions:~~

- ~~(I) When acting alone or acting in concert with other persons, such a person can select more than half of the Directors;~~
- ~~(II) When acting alone or acting in concert with other persons, such a person can exercise 30% or more of the voting rights of the Company or control the exercise of 30% or more of the voting rights of the Company;~~

- (III) ~~When acting alone or acting in concert with other persons, such a person holds 30% or more of the outstanding shares of the Company;~~
- (IV) ~~When acting alone or acting in concert with other persons, such a person has de facto control of our Company through other methods.~~

## CHAPTER 78 GENERAL MEETING

### Section 1 General Provisions on General Meeting

- Article ~~4562~~** The general meeting shall be the organ of authority of the Company and shall exercise the functions and powers according to law.
- Article ~~4663~~** The general meeting shall exercise the following functions and powers:
- (I) to decide on the operating policies and investment plans of the Company;
  - (II) to elect and replace directors or supervisors respectively other than a director or supervisor who is an employee representative; and to decide on matters relating to their remuneration;
  - (III) to review and approve reports of the board of directors;
  - (IV) to review and approve reports of the board of supervisors;
  - (V) to review and approve the annual financial budgets and final accounts of the Company;
  - (VI) to review and approve the profit distribution plans and loss recovery plans of the Company;
  - (VII) to adopt resolutions on increasing or reducing the registered capital of the Company;
  - (VIII) to adopt resolutions on the merger, division, dissolution, liquidation or change in corporate form of the Company;
  - (IX) to adopt resolutions on the issuance of corporate bonds, other securities and their listing;

- (X) to adopt resolutions on the appointment, reappointment or non-renewal, or dismissal of the engagement of accounting firms by the Company;
- (XI) to amend the Articles of Association;
- (XII) to review and approve ~~the provision of guarantee to shareholders, de facto controller and its connected parties~~the provision of guarantee under the provisions of Article 47 in the Articles of Association;
- (XIII) ~~to review and approve the provision of guarantee within one year at an amount in the aggregate exceeding 30% of the latest audited total assets of the Company;~~
- (XIIIIV) to review and approve the purchase or the sale of major assets by the Company within one year, the amount of which exceeds 30% of the latest audited total assets of the Company;
- (XIV) to review matters raised by a shareholder alone or shareholders jointly holding not less than 3% of the voting shares of the Company;
- (XV) to review and approve the alteration of the use of raised proceeds;
- (XVI) to review and approve the equity incentive plan and the employee share scheme;
- (XVII) to review other matters that required to be resolved by the general meetings prescribed by the law, administrative regulations, departmental rules, listing rules of the stock exchange where our shares are listed or these Articles of Association.

The above-mentioned functions and powers of the general meeting shall not be exercised by the board of directors, other organizations or individuals through authorization. The general meeting can authorize or delegate the board of directors to handle matters which are not in violation of relevant PRC laws, regulations, regulatory documents, and mandatory provisions of the listing rules of the stock exchange where our shares are listed.

**Article 47**

The provision of the following external guarantee of the Company shall be approved by the shareholders' general meeting.

- (I) the provision of any guarantee after the total amount of external guarantee offered by the Company and any of the Company's controlling subsidiaries exceeds 50% of the latest audited net assets;
- (II) the provision of any guarantee after the total amount of external guarantee offered by the Company exceeds 30% of the latest audited total assets;
- (III) guarantee the aggregate amount of which exceeds 30% of the latest audited total assets within one year;
- (IV) guarantee provided to the guaranteed object whose asset-liability ratio exceeds 70%;
- (V) a single guarantee the amount of which exceeds 10% of the latest audited net assets;
- (VI) guarantee provided to the shareholders, the de facto controllers or their related parties;

**Article 4864**

Unless the Company is in danger or other special circumstances, the Company shall not, without ~~prior~~ approval at a general meeting by means of special resolutions, enter into any contract with any person other than a director, supervisor and senior management whereby the administration of the whole or any substantial part of the business of the Company is to be handed over to such person.

**Article 4965**

General meetings include annual general meetings and extraordinary general meetings. General meetings shall be convened by the board of directors. Annual general meetings shall be convened once a year and within six months from the end of the preceding fiscal year.

**Article 5066**

Under any of the following circumstances, the board of directors shall convene an extraordinary general meeting within two months from the date on which the circumstance occurs:

- (I) the number of directors is less than the number provided for in the Company Law or less than two-thirds of the number prescribed in these Articles of Association;
- (II) the losses of the Company that have not been made up reach one-third of its total paid in share capital;
- (III) such is requested in writing by a shareholder alone or shareholders jointly holding not less than 10% of the Company's outstanding voting shares;
- (IV) the board of directors considers it necessary;
- (V) the board of supervisors proposes that such a meeting shall be held;
- (VI) not less than two independent non-executive directors propose that such a meeting shall be held;
- (VII) other circumstances as specified by laws, administrative regulations, departmental rules, listing rules of the stock exchange where our shares are listed or these Articles of Association.

**Article 5167**

The venue of general meeting of the Company is our registered address or other place notified by the convener of the general meeting.

General meetings shall usually be held onsite or, if allowed by the securities regulatory authorities, may be held in other ways approved or required by the authorities. Shareholders participating in the general meetings by any aforesaid means shall be deemed as having attended the meetings. The Company also provides online voting methods for the convenience of shareholders attending general meetings. Shareholders participating in the general meetings by any aforesaid means shall be deemed as having attended the meetings.



## Section 2 Proposal and Convening of General Meetings

Article 5268

Independent non-executive directors shall be entitled to propose to the board of directors to convene an extraordinary general meeting. The board of directors shall ~~as soon as possible proceed to convene the extraordinary general meeting after receiving~~provide its feedback in writing on approval or disapproval within ten days from the receipt of such proposal in accordance with laws, administrative regulations and the Articles of Association. Where the board of directors approves the convening of the extraordinary shareholders' general meeting, it shall send the notice thereof within five days after the said resolution is approved at board meeting; otherwise, the reasons for such disapproval shall be stated and announced.

Article 5369

The board of supervisors shall be entitled to propose to the board of directors to convene an extraordinary general meeting, and shall put forward its proposal to the board of directors in writing. The board of directors shall ~~as soon as possible proceed to convene the extraordinary general meeting after receiving~~provide its feedback in writing on approval or disapproval within ten days from the receipt of such proposal in accordance with laws, administrative regulations and the Articles of Association.

Where the board of directors approves the convening of extraordinary shareholders' general meeting, it shall send a notice thereof within five days after the resolution is approved at board meeting. Any change to the original proposal in the notice shall be approved by the board of supervisors.

Where the board of directors disapproves the convening of the extraordinary shareholders' general meeting after receiving the aforesaid written proposal or fails to provide its feedback within ten days from the receipt of the said proposal, it shall be deemed incapable or failure to fulfill the obligation of convening the shareholders' general meeting; the board of supervisors may thereby convene and preside over the meeting on its own, and the procedures according to which they convene such meeting shall, to the extent possible, be identical to the procedures according to which shareholders' general meetings are to be convened by the board of directors. If the board of directors fails to issue a notice to convene a meeting within 30 days after receiving the aforesaid written request, the board of supervisors may convene and preside over the meeting by itself, provided that the procedure for convening a meeting of shareholders shall be the same as that used by the board of directors when possible.

**Article 5470**

Shareholders individually or jointly, on a one vote per share basis, holding not less than 10% of the Company's voting shares shall have the right to propose in writing to the board of directors the convening of the extraordinary shareholders' general meeting. The board of directors shall, in accordance with the provisions in laws, administrative regulations and these Articles, provide feedback in writing on the approval or disapproval within ten days from the receipt of such proposal.

Where the board of directors approves the convening of the extraordinary shareholders' general meeting, it shall send the notice thereof within five days after the said resolution is approved at board meeting. Any change to the original proposal in the notice shall be approved by the relevant shareholders.

Where the board of directors disapproves the convening of the extraordinary shareholders' general meeting or fails to provide feedback within ten days from the receipt of the said proposal, the shareholders which singly or jointly hold not less than 10% of the shares of the Company shall have the right to propose in writing the convening of the extraordinary shareholders' general meeting to the board of supervisors.

Where the board of supervisors approves the convening of the shareholders' general meeting, it shall within five days from the receipt of the said written request send a notice thereof. Any change to the original proposal in the notice shall be approved by the relevant shareholders.

~~Where the board of supervisors fails to send the said notice within the prescribed time limit, it shall be deemed that they fail to convene and preside over the shareholders' general meeting and shareholders which singly or jointly hold not less than 10% of the Company's shares for not less than ninety consecutive days may convene and preside over the meeting independently. shall have the right to request to convene an extraordinary general meeting or class general meeting in accordance with the following procedures:~~

- ~~(I) Signing a written requirement or several copies with the same format to request the board of directors to convene an extraordinary general meeting or class general meeting and to illustrate items of the meetings. The board of directors shall as soon as possible proceed to convene the extraordinary general meeting or class general meeting after receiving such written requirement in accordance with laws, administrative regulations and the Articles of Association. The number of shares held by proposing shareholders mentioned above is calculated as at the date of the submission of the written requirement by the shareholders.~~
- ~~(II) If the board of directors fails to issue a notice to convene a meeting within 30 days after receiving the aforesaid written requirement, shareholders individually or jointly holding more than 10% of the shares of the Company shall be entitled to propose in writing to the board of supervisors to convene the meeting.~~
- ~~(III) If the board of supervisors fails to issue a notice to convene the meeting within 30 days after receiving the aforesaid written requirement, the shareholders holding more than 10% of the voting shares of the proposed meeting individually or in aggregate for over 90 consecutive days may convene and preside over the meeting by themselves within four months after the receipt of the request by the board of directors, provided that the procedure for convening a meeting of shareholders shall be the same as that used by the Board of Directors when possible.~~

**Article 5571**

If the board of supervisors or the shareholders convene a meeting on its/their own initiative as provided in this Section, they shall notify the board of directors in writing, and the board of directors and the secretary to the board of directors shall offer cooperation for the meeting, and the board of directors shall provide a register of members as of the equity registration date. For a general meeting convened and presided over by the shareholders on their own, the shareholding by the shareholders who convene the meeting shall not be below 10% prior to the announcement of the resolution of the general meeting. If the board of supervisors or the shareholders convene and hold a meeting on their own due to the failure of the board to hold the meeting as requested under Article 53 and Article 54, the Company shall bear the reasonable expenses incurred thereby. If the shareholders convene and hold a meeting on their own due to the failure of the board to hold the meeting as requested on Article 69, the Company shall bear the reasonable expenses incurred thereby and deduct the amount owed by the Company to the delinquent directors.

**Section 3 Proposals and Notice of General Meetings****Article 5672**

The content of a proposal shall be within the powers of the general meeting, have definite items and specific issues for resolution, and shall comply with the relevant provisions of the laws, administrative regulations and the Articles of Association.

**Article 5773**

Where the Company convenes a general meeting, the board of directors, board of supervisors, and shareholders individually or jointly holding not less than 3% of the Company's voting shares shall have the right to make proposals to the Company.

Shareholder individually or jointly holding not less than 3% of the Company's voting shares may submit an interim proposal in writing to the convener 10 days before the general meeting is convened.

The convener shall serve a supplementary notice of general meeting within two days after receipt of the proposals and announce the contents of the interim proposals. The contents of the interim proposals shall be within the powers of the general meeting, have definite items and specific issues for resolution.

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

- Article 5874** Proposals not set out in the notice of general meeting or not complying with Article 5674 of the Articles of Association shall not be voted on or resolved at the general meeting.
- Article 5975** A written notice of the annual general meeting stating, among other things, matters to be considered at the meeting and the time and venue of the meeting shall be given to all shareholders in the register of members 20 days before the meeting. For extraordinary general meeting, the shareholders shall be notified 15 days before the meeting is held. In relation to the notice specified in this article, the issuing date is the date of the notice which the Company or the share registrar appointed by the Company delivers the notice to the postal office.
- The duration of issue of the notice is exclusive of the day on which the meeting is convened.
- Article 6076** The notice of a general meeting shall ~~meet the following requirements~~include the followings:
- (I) ~~It shall be made in writing;~~
  - (II) ~~It shall specify~~ The time, place and duration~~date~~ of the meeting;
  - (III) ~~It shall specify~~ Tender the matters and resolutions to be reviewed~~to be discussed~~ at the meeting;
  - (IV) ~~It shall provide to the shareholders the information and explanation necessary for them to make a wise decision on the matters to be discussed. This principle shall apply (but not limited) to proposed merger, repurchase of shares, reorganization of share capital or other restructuring, it shall provide the specific conditions and contract (if any) of the proposed transaction and properly explain the reasons and effects of the same; Contain distinctly a statement that: all ordinary shareholders (including the holders of preferred shares with restored voting rights) have the right to attend and vote at the general meeting either in person or by proxy in writing, and that such proxy need not be a shareholder of the Company;~~

- (IVV) ~~Any director, supervisor or senior management who have material conflicts of interests in any matters subject to discussion shall disclose the nature and extent of such material conflict of interests. If the effect of proposed matters on such director, supervisor or senior management in their capacity as shareholder is different from that of other shareholders of the same class, the differences shall also be specified;~~Share registration date for any shareholder entitled to attend the shareholders' general meeting;
- (VVI) ~~It shall contain the full text of any special resolution proposed to be adopted at the meeting;~~Name and telephone number of the permanent contact person in charge of shareholders' general meeting;
- (VII) ~~It shall contain a clear explanation that a shareholder entitled to attend and vote at such meeting is entitled to appoint one or more proxies to attend and vote at such meeting on his or her behalf and such proxy need not be a shareholder of the Company;~~
- (VIVIII) ~~It shall state the time and place for the delivery of the proxy forms for the meeting.~~Time and procedure for voting for resolutions via Internet or other means.

**Article 6177**

~~Notice of general meeting shall be served to any shareholder (whether has voting right on general meeting or not) either by hand or by post in a prepaid mail, addressed to such shareholder at his registered address as shown in the register of members, or by publication on the Company's website or other website designated by stock exchange where the Company's shares are listed. Once the notice is published, all holders of overseas listed foreign shares shall be deemed to have received the notice of the relevant general meeting.~~Where the shareholders' general meeting proposes to discuss matters related to the election of directors and supervisors, the notice of the shareholders' general meeting shall fully disclose detailed information about such director and supervisor candidates, including at least the following contents:

- (I) such personal information as the education background, work experience, part-time job, etc.;
- (II) whether the director or supervisor candidates have connected relationship with the Company or its controlling shareholders and the de facto controllers;

(III) disclosure of the number of Company shares held by the director or supervisor candidates;

(IV) whether the director or supervisor candidates have received punishments from the China Securities Regulatory Commission or other departments or disciplinary actions from the stock exchange.

Except for the election of directors and supervisors by means of a cumulative voting system, each director or supervisor candidate shall be nominated in a single proposal.

~~For holders of domestic shares, the notice of a general meeting may also be given by public announcement.~~

~~The public announcement referred to in the preceding paragraph shall be published on one or more newspapers or periodicals designated by the securities regulatory authority under the State Council. Once the announcement is published, all holders of domestic shares shall be deemed to have received the notice of the general meeting of shareholders.~~

**Article 6278**

The general meeting shall not be postponed or canceled and the proposals listed in the notice shall not be canceled without just cause after the notice of the general meeting was made. If any circumstance that may result in delay or cancellation occurs, the convener shall publish and explain the reasons at least 2 working days before the original convening day. Where there are other rules in respect of the aforesaid matters in the listing rules of the stock exchange where our shares are listed, such rules shall prevail.

**Article 6379**

In the event that the notice of the meeting is not sent to persons entitled to receive it due to accidental omission, or such persons fail to receive notice of the meeting, the meeting and resolutions made at the meeting shall not be thereby invalidated.

**Section 4 Convening of General Meetings**

**Article 64**

The board of directors and other conveners of the Company shall take necessary measures to ensure the normal order of the shareholders' general meetings. They shall take measures to prevent acts which interfere with the shareholders' general meeting, cause disturbance or infringe on the lawful rights of the shareholders, and shall promptly report such acts to the relevant departments for investigation and punishment.

**Article 6580**

All the registered shareholders or their proxies on the equity registration date have the right to attend the general meeting and exercise their voting rights according to relevant laws, regulations and the Articles of Association. Any shareholder who is entitled to attend and vote at our general meeting has the right to appoint one or more persons (who may not necessarily be shareholders) as his or her shareholder proxies to attend and vote at the meeting in his or her place.

~~Pursuant to the authorization of the shareholder, the proxy may exercise the following rights:~~

- ~~(I) the shareholder's right to speak at the general meeting;~~
- ~~(II) the right to demand by himself or jointly with others, to vote by way of poll;~~
- ~~(III) unless otherwise provided by the applicable rules governing the listing of securities or other securities laws and regulations, the right to vote by show of hands or on a poll, except that if a shareholder has appointed more than one (1) proxy, such proxies may only exercise their voting rights on a poll.~~

If the shareholder is a recognized clearing house (or its agent) meeting the definitions in the relevant Hong Kong ordinances formulated from time to time, the said shareholder may authorize one or more persons as it deems appropriate to act on its behalf at any general meeting, class general meeting or any creditors meetings. However, if more than one person is thus authorized, the power of attorney shall state the number and type of shares in respect of which each such person is authorized and shall be signed by the authorized officer of the recognized clearing house. The persons thus authorized may attend a meeting on behalf of the recognized clearing house (or its agent) and exercise the same powers as if he were an individual shareholder of the Company without the need to produce the shareholding certificates, the notarized power of attorney and/or further evidence of formal authorization.



**Article 6681**

An individual shareholder attending a general meeting in person shall present the certificate certifying his or her capacity as a shareholder;

A proxy attending a general meeting on behalf of an individual shareholder shall, other than proof of identity of the principal, present his or her own proof of identity and the power of attorney.

A corporate shareholder should attend the meeting by its legal representatives or the proxy appointed by the legal representative. The legal representative attending the meeting shall present his or her identity card or valid certificate bearing evidence of his or her qualifications as legal representative; a proxy attending the meeting on behalf of the legal representative shall present his or her identity card and the written power of attorney lawfully issued by the legal representative of the corporate shareholder (other than a recognized clearing house or its agent).

**Article 6782**

The shareholder proxy appointment shall be in writing and shall be signed by the principal or a person duly authorized in writing. Where the principal is a corporate entity, it shall be either affixed with its corporate seal or signed by a Director or a duly authorized agent.

The power of attorney issued by a shareholder to appoint a proxy to attend a general meeting shall specify:

- (I) the name of the proxy;
- (II) whether or not the proxy has any voting right;
- (III) directive to vote for or against from voting on each and every issue included in the agenda of the general meeting;
- (IV) the date of issue and validity period of the power of attorney;
- (V) signature (or seal) of the principal; where the principal is a corporate shareholder, it shall be either affixed with its corporate seal or signed by a Director or a duly authorized agent;

(VI) the number of shares held by the principal represented by the authorized shareholder proxy;

(VII) if several persons are appointed as shareholder proxies, the power of attorney shall specify the number of shares to be represented by each proxy.

**Article 83**

**Article 68**

The power of attorney for voting shall be kept at our residential address or other location designated in the notice convening the meeting no later than 24 hours before the meeting at which the power of attorney is put to vote is convened or 24 hours before the designated voting time. If the power of attorney is signed by another person authorized by the principal, the power of attorney authorizing signature or other instrument of authorization shall be notarized, which shall be kept together with the power of attorney at our residential address or other location designated in the notice convening the meeting.

Where the principal is a corporate entity, its legal representative or a person authorized by the board of directors or other decision-making body shall attend the general meeting of the Company on behalf of the principal as its proxy.

**Article 6984**

The power of attorney shall specify that the shareholder proxy may vote as he thinks fit if the shareholder does not provide specific instructions. ~~Any form sent by the board of directors to the shareholder for appointing a shareholder proxy shall allow the shareholder, according to his or her free will, to instruct the proxy to vote for or against from voting and provide instructions separately for matters to be put to vote on each item on the meeting agenda.~~

**Article 85**

~~The votes of the shareholder proxy given pursuant to the terms of the power of attorney shall remain valid notwithstanding the previous death or loss of capacity of the principal or revocation of the power of attorney or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that the Company does not receive written notice concerning such matters before the related meeting is convened.~~

**Article 7086**

Attendees register shall be prepared by the Company, which register shall state the names (or names of the corporations), ID card number and the residential address of the attendees, the number of voting shares held or represented, names of the principal (or names of the corporations) and so on.

**Article 7187** The convener shall jointly verify the shareholders' qualifications based on the register of members provided by the securities registration and clearing house, and shall register the names of the shareholders as well as the amount of their voting shares. The registration for a meeting shall be completed before the chairman of the meeting announces the number of shareholders and proxies that attend the meeting and the total amount of their voting shares.

**Article 7288** Where a director, supervisor or senior management is required to attend a general meeting, such director, supervisor or senior management shall attend the meeting and answer the queries from shareholders.

**Article 7389** The general meeting shall be convened and presided over by the chairman of the board of directors. If the chairman is unable or fails to perform his or her duties for certain reasons, the meeting shall be convened and presided over by the vice chairman of the board of directors (if there are two or more vice chairmen, the one elected by not less than one half of the directors shall preside). Where the position of vice chairman does not exist, or where the vice chairman is unable or fails to perform his or her duties, the board of directors may appoint a director of the Company to convene the meeting and act as the chairman of the meeting.

~~If independently convened by the board of supervisors, the shareholders' general meeting shall be presided over by the chairman thereof. Where the chairman of the board of supervisors is unable to or fails to perform his duties, the shareholders' general meeting shall be presided over by the vice chairman of the board of supervisors. Where the vice chairman is unable to or fails to perform his duties, the supervisor elected by not less than half of the supervisors shall preside over the meeting. Where the board of directors is unable or fails to perform its duty to convene the general meeting, the board of supervisors shall convene and preside over the meeting promptly; if the board of supervisors fails to convene and preside over the general meeting, the shareholders who individually or jointly hold more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over the meeting by themselves.~~

Shareholders' general meetings independently convened by the shareholders shall be presided over by a representative recommended by the convener.

Where the convener violates the procedural rules while the shareholders' general meeting is being held so that the meeting is unable to continue, a presider may, with the approval by more than half of voting rights represented by the shareholders present at the shareholders' general meeting, be elected by the shareholders' general meeting to continue the meeting.

**Article 7490**

The Company shall stipulate the rules of procedures for the general meeting and specify in details the procedure for convening and voting at the general meeting, including notification, registration, reviewing of proposals, voting, counting of votes, announcement of voting results, formation of meeting resolutions, minutes of meeting and their signing, public announcements as well as principles of authorization to the board of directors by the general meeting. The rules of procedures for the general meeting shall be stipulated by the board of directors and approved by the general meeting.

**Article 7591**

In the annual general meeting, the board of directors and board of supervisors shall report their work during the past year to the general meeting. Each independent non-executive director shall also present a work report.

**Article 7692**

Directors, supervisors and senior management members shall explain and answer the enquiries and suggestions from shareholders at the general meeting.

**Article 7793**

The chairman of meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting in person as well as the total number of their voting shares which shall be the number of shareholders and proxies attending the meeting in person and the total number of their voting shares as indicated in the meeting's registration record.

**Article 7894**

The general meeting shall have minutes prepared by the secretary to the board of directors. The minutes shall state the following contents:

- (I) Time, venue and agenda of the meeting and names of the convener;
- (II) The name of the meeting chairman and the names of the directors, supervisors and senior management members attending or present at the meeting;
- (III) The numbers of shareholders (including holders of domestic shares and holders of overseas-listed foreign shares (if any)) and proxies attending the meeting, number of voting shares they represent and the percentages of their voting shares to the total share capital of the Company for each shareholder;
- (IV) The process of review and discussion, summary of any speech and voting results of each proposal;
- (V) Shareholders' questions, opinions or suggestions and corresponding answers or explanations;
- (VI) Names of vote counters and scrutinizer of the voting;
- (VII) Other contents to be included as specified in these Articles of Association.

**Article 7995**

The convener shall ensure that the contents of the minutes are true, accurate and complete. Directors, supervisors, secretary to the board of directors, conveners and their representatives and the meeting chairman shall sign on the minutes. The minutes shall be kept together with the registration record of attendant shareholders, authorization letters of proxies, valid data on internet voting and other means of voting.

**Article 8096**

The convener shall ensure that the general meeting be conducted continuously until final resolutions are made. If the general meeting is suspended or resolutions cannot be made because of force majeure or other special circumstances, the convener shall take necessary measures to resume the meeting or directly terminate that meeting immediately followed by a timely public announcement and report in accordance with the laws, regulations or listing rules of the stock exchange of the place where the Company's shares are listed.

**Section 5 Voting at and Resolution of Shareholders' General Meeting**

**Article 8197** Resolutions of the general meeting include ordinary resolutions and special resolutions.

Ordinary resolutions at a general meeting shall be adopted by shareholders in attendance (including proxies) holding more than half of the voting rights.

Special resolutions at a general meeting shall be adopted by shareholders in attendance (including proxies) holding not less than two-thirds of the voting rights.

**Article 8298** Shareholders (including proxies) have the rights to speak at the general meeting, and shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share.

Shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting.

Subject to and conditional upon compliance with applicable laws, regulations or requirements of the listing rules of the stock exchange of the place where the Company's shares are listed, the board of directors, independent non-executive directors and other shareholders who qualify with relevant specified conditions may solicit for the voting shares from shareholders.

When the general meeting considers connected transactions, the connected shareholders shall not participate in the voting if so specified in the applicable law, regulations or listing rules of the stock exchange of the place where the Company's shares are listed. His shares held with voting rights will not be counted within the total number of valid votes. The public announcement on the voting results of the general meeting shall fully disclose the voting results of the non-connected shareholders.

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

**Article 99**

~~Voting shall be taken by way of registered showing of hands or poll.~~

~~At any shareholders' general meeting, a resolution shall be decided by show of hands unless voting is required by law, administrative regulation, the relevant regulatory authority or the listing rules of the stock exchange of the listing place where the Company's shares are listed or a poll is demanded:~~

- ~~(I) by the chairman of the meeting;~~
- ~~(II) by at least two shareholders present in person or by proxy entitled to vote thereat;~~
- ~~(III) by one or more shareholders (including proxies) representing 10% or more of shares (held solely or in combination) carrying the right to vote at the meeting.~~

~~Unless a poll is demanded, a declaration by the chairman 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 in favour of or against such resolution.~~

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

~~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 question 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 still be deemed to be a resolution of the meeting at which the poll was demanded.~~

**Article 100**

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

**Article 101**

~~In case of equal affirmative and dissenting votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a casting vote.~~

**Article ~~83~~102**

The following matters shall be resolved by an ordinary resolution at a general meeting:

- (I) work reports of the board of directors and the board of supervisors;
- (II) profit distribution plan and loss recovery plan formulated by the board of directors;
- (III) election and removal of members of the board of directors and supervisors not being representatives of the employees;
- (IV) remuneration and manner of payment of members of the board of directors and supervisors;
- (V) annual budget and final accounts report, ~~balance sheet, income statement, and other financial statements of the Company;~~
- (VI) annual report of the Company;
- ~~(VII)~~ such matters other than those required to be passed by special resolutions under the laws and administrative regulations and the listing rules of the stock exchange on which the Company's shares are listed or the Articles of Association.

**Article ~~84~~103**

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

- (I) the increase or reduction of the registered capital ~~and issuance of any class of shares, warrants or other similar securities~~ by the Company;
- ~~(II)~~ the issuance of corporate bonds;
- ~~(III)~~ the division, spin-off, merger, dissolution and liquidation ~~or change in the corporate form~~ of the Company;
- ~~(III)~~ the amendment to these Articles of Association;
- (IV) where, within the period of one year, purchases or sales by the Company or the amount of the guarantee provided by the Company exceeds 30% of the total assets of the Company as of the most recent audit;



(V) share incentive plan;

(~~VI~~) other matters which the laws, administrative regulations, the listing rules of the stock exchange on which the Company's shares are listed or these Articles of Association require to be adopted by special resolutions and which the general meeting considers will have a material impact on the Company and therefore require, by an ordinary resolution, to be adopted by special resolution.

**Article 85104**

~~The name list of director and supervisor candidates shall be submitted as proposals to the shareholders' general meeting for vote. The chairman of the meeting shall be held responsible for deciding whether or not a resolution of the general meeting has been passed. His decision shall be final and shall be announced at the meeting and recorded in the minutes of meeting.~~

When the shareholders' general meeting votes upon the election of directors and supervisors in accordance with the provisions of these Articles or the resolution adopted by the shareholders' general meeting, the cumulative voting system may be used.

The "cumulative voting" stated in the preceding paragraph shall mean when the shareholders' general meeting is electing directors or supervisors, each share shall have the same number of votes as the number of directors or supervisors who are up for election, and the voting rights of all the shareholders may be exercised in a centralized manner. The board of directors shall announce the résumé and basic information of each candidate of directors and supervisors to the shareholders.

**Article 86105**

In addition to the cumulative voting, the shareholders' general meeting may take a vote on all the proposals item by item. Where different proposals are submitted for the same matter, votes shall be cast in the sequence that such proposals are submitted. The shareholders' general meeting shall not suspend or refuse voting upon the said proposals unless the meeting is suspended or is unable to adopt a resolution as a result of particular reasons such as force majeure. If the chairman of the meeting has any doubts about the voting result of a resolution, he may re-count the votes. If the chairman of the meeting does not arrange re-counting of the votes, a shareholder or proxy attending the meeting who challenges the result announced by the chairman of the meeting shall have be entitled to request re-counting of votes immediately after such announcement, the chairman of the meeting shall immediately arrange re-counting of the votes.

- Article 87106**            The shareholders' general meeting, when examining the proposals, shall not amend them, otherwise, the relevant alteration shall be deemed as a new proposal which shall not be voted on at the same shareholders' general meeting. If counting of votes is held at a general meeting, the result of the counting shall be recorded in the minutes of meeting. The minutes of meeting and the registration record of attendants signed by the attendant shareholders and proxies shall be kept at the Company's domicile.
- Article 88107**            Each voting right shall be exercised by only one of such means including onsite, through the internet or otherwise. The first vote prevails if repeated votes are made by the same voting right.
- Article 89**                Votes at the shareholders' general meeting shall be made by means of open ballot. Prior to vote on proposals at the shareholders' general meeting, two shareholders shall be elected as representatives by the shareholders' general meeting to participate in the vote counting and supervision. If shareholders have connected relationship with the matters to be deliberated on, the concerned shareholders and proxies thereof shall not take part in the vote counting and supervision. When the shareholders' general meeting is voting on proposals, the representatives of shareholders and supervisors shall be jointly responsible for the vote counting and supervision thereof and announce the voting results in the meeting which shall be recorded into the minutes of the meeting. Shareholders of the Company or their proxies who cast votes via internet or through other means shall have the right to examine their voting results by accessing to the corresponding voting system or by other means.
- Article 90**                The onsite shareholders' general meeting shall not finish earlier than the shareholders' general meeting held through the internet or by any other means. The presider of the onsite shareholders' general meeting shall announce the voting results of each proposal and announce if the proposals have been passed according to the voting results. Prior to the formal announcement of the voting results, the companies, vote counters, vote supervisors, major shareholders and the internet service providers and other related parties involved in the shareholders' meeting held onsite, through the internet or by any other means shall bear obligation of confidentiality on the voting results.

- Article 91** Shareholders who attend the shareholders' general meeting shall take one of the following stances when a proposal is put forward for voting: for, against or abstain. Except where the securities registrar and clearing agency, as the notional holder of the shares traded under the interconnection mechanism between the Mainland and Hong Kong stock markets, makes the declaration in accordance with the intention of the actual holder. Any votes which are uncompleted, erroneously completed or illegible or uncasted shall be counted as an abstention of voting rights by the voters and the voting results of the number of shares they hold shall be counted as "abstain".
- Article 92** If the chairman of the meeting has any doubt as to the result of a resolution put to the vote, he may have the votes counted; if the chairman of the meeting fails to have the votes counted, any shareholder who is present in person or by proxy and who objects to the results announced by the chairman of the meeting may demand that the votes be counted immediately after the announcement of results, and the chairman of the meeting shall propose that the voting resolution is not passed, or the previous resolutions of the last shareholders' general meeting are altered at the current shareholders' general meeting, special indications shall be made in the announcement of the said meeting.
- Article 93** The resolutions of the shareholders' general meeting shall be announced promptly and such announcement shall indicate the number of shareholders and proxies attending the meeting, the number of voting shares held by them, the proportions of their voting shares in the total voting shares of the Company, the voting methods, the vote results of each proposal and the particulars of each resolution adopted.
- Article 94** If the resolution is not passed, or the previous resolutions of the last shareholders' general meeting are altered at the shareholders' general meeting, special indications shall be made in the announcement of the said meeting.
- Article 95** Where the shareholders' general meeting passes a proposal concerning election of directors and supervisors, the time of their assumption of office shall be the date the resolution is made at the shareholders' general meeting.

**Article 96**

Where the shareholders' general meeting passes a proposal regarding the distribution of cash dividends, share granting or conversion of common reserve fund into share capital, the Company shall implement the detailed plan for such proposals within two months from the end of the shareholders' general meeting. Shareholders may examine photocopies of the minutes of meetings during the Company's office hours free of charge. If any shareholder requests for a photocopy of the relevant minutes of meetings, the Company shall send such photocopies within seven days upon verification of the shareholder's identity and receipt of payment of reasonable charges.

**CHAPTER 9 SPECIAL PROCEDURES FOR VOTING AT CLASS MEETING****Article 108**

~~Shareholders who hold different classes of shares shall be shareholders of different classes.~~

~~Shareholders of different classes shall enjoy rights and undertake obligations in accordance with the laws, administrative regulations and these Articles of Association.~~

~~Where the share capital of the Company includes shares which do not carry voting rights, the words "non-voting shares" must appear in the designation of such shares.~~

~~Where the share capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favorable voting rights, must include the words "restricted voting" or "limited voting".~~

**Article 109**

~~The Company shall not proceed to change or abrogate the shareholders' rights of a class of shares unless such change or abrogation has been approved by way of a special resolution of the general meeting and by a separate class meeting of the affected shareholders of the class of shares in accordance with Articles 111 to 115.~~

~~Where any changes in domestic and foreign laws, regulations and the listing rules of the place where the shares of the Company are listed, as well as decisions of domestic and foreign regulatory authorities which lead to the change or abrogation of the class shareholders' rights shall not require the approval of shareholder' meeting or class meeting.~~

The transfer of the Company's domestic shares by its holders in whole or part to overseas investors and the listing and trading of such transferred shares overseas, or the conversion of the domestic shares in whole or part into overseas listed shares and the listing and trading of such converted shares on overseas stock exchanges, shall not be deemed to be a change or abrogation of the rights of class shareholders proposed by the Company.

**Article 110**

The rights of shareholders of a certain class shall be deemed to have been changed or abrogated in the following circumstances:

- (I) An increase or decrease in the number of shares of such class or an increase or decrease in the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;
- (II) a conversion of all or part of the shares of such class into shares of another class, a conversion of all or part of the shares of another class into shares of such class or the grant of the right to such conversion;
- (III) a removal or reduction of rights to accrued dividends or cumulative dividends attached to shares of such class;
- (IV) a reduction or removal of a dividend preference or property distribution preference during liquidation of the Company, attached to shares of such class;
- (V) an addition, removal or reduction of share conversion rights, options, voting rights, transfer rights, pre-emptive rights to rights issues or rights to acquire securities of the Company attached to shares of such class;
- (VI) a removal or reduction of rights to receive amounts payable by the Company in a particular currency attached to shares of such class;
- (VII) a creation of a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of that class;
- (VIII) an imposition of restrictions or additional restrictions on the transfer or ownership of shares of such class;

- ~~(IX) an issuance of rights to subscribe for, or convert into, shares of such class or another class;~~
- ~~(X) an increase in the rights and privileges of shares of another class;~~
- ~~(XI) restructuring of the Company which causes shareholders of different classes to bear liability to different extents during the restructuring;~~
- ~~(XII) any amendment or abrogation of the provisions of this chapter.~~

**Article 111**

~~Shareholders of the affected class, whether or not having the rights to vote at general meetings originally, shall have the right to vote at class meetings in respect of matters referred to in sub-paragraphs (II) to (VIII) and (XI) to (XII) in Article 110 hereof, except that interested shareholders shall not have the right to vote at class meetings.~~

~~The term "interested shareholders" in the preceding paragraph shall have the following meanings:~~

- ~~(I) if the Company has made a buyback offer to all shareholders in the same proportion or has bought back its own shares through open market transactions on a stock exchange in accordance with Article 32 of these Articles of Association, the controlling shareholders as defined in these Articles of Association shall be "interested shareholders";~~
- ~~(II) if the Company has bought back its own shares by an agreement outside of a stock exchange in accordance with Article 32 of these Articles of Association, holders of shares in relation to such agreement shall be "interested shareholders";~~
- ~~(III) under a restructuring proposal of the Company, shareholders who will bear liability in a proportion smaller than that of the liability borne by other shareholders of the same class, or shareholders who have an interest in a restructuring proposal of the Company that is different from the interest in such restructuring proposal of other shareholders of the same class shall be "interested shareholders".~~

**Article 112**                    ~~The quorum of a class meeting shall be holder(s) of no less than one-third of the issued shares of such class. Resolutions of a class meeting may be passed only by shareholders present at the class meeting representing no less than two-thirds of the voting rights in accordance with Article 111 in these Articles of Association.~~

**Article 113**                    ~~In the event that the Company convenes a class meeting, the notice period for despatching written notice of such class meeting shall be the same as the notice period convening a non-class meeting as scheduled at the same date with such class meeting. The written notice containing the matters to be considered at the meeting, the date and the place of the meeting shall be given to that class of shareholders whose names appear on the register of members.~~

~~Where special rules are provided in the listing rules of the stock exchange of the place where the shares of the Company are listed, such special rules shall apply.~~

**Article 114**                    ~~Notice of class meetings need only be served on shareholders entitled to vote thereat.~~

~~Class meetings shall be conducted in a manner which is as similar as possible to that of shareholders' general meetings. The provisions of these Articles of Association relating to the manner for the conduct of shareholders' general meetings are also applicable to class meetings unless otherwise specified in this chapter.~~

**Article 115**                    ~~In addition to holders of other classes of shares, holders of domestic shares and overseas listed foreign shares are deemed to be different classes of shareholders.~~

~~The special procedure for voting by class shareholders shall not apply to the following circumstances:~~

- ~~(i) where the Company issues domestic shares and overseas listed foreign shares, upon approval by a special resolution of the general meeting, either separately or concurrently once every 12 months, and the quantity of domestic shares and overseas listed foreign shares intended to be issued does not exceed 20% of the outstanding shares of the respective classes;~~

- (II) ~~where the Company's plan to issue domestic shares and overseas-listed foreign shares upon its incorporation is implemented within 15 months from the date of approval by the securities regulatory authorities under the State Council;~~
- (III) ~~where, as approved by the securities regulatory authorities under the State Council, the conversion of the unlisted domestic shares and foreign shares of the Company into overseas-listed foreign shares and the listing and trading of such shares on an overseas stock exchange.~~

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

### Section 1 Directors

#### Article 97

The directors of the company are natural persons. A person may not serve as a director if he falls into any of the following categories:

- (I) a person without capacity for civil conduct or with restricted capacity for civil conduct;
- (II) a person who has committed corruption, bribery, infringement of property, misappropriation of property or disrupting socialist market economy order, and has been sentenced accordingly; or who has been deprived of his political rights, in each case where five years have not yet elapsed since the date of completion of his punishment;
- (III) a person who is a former director or factory manager or manager of a company or enterprise which has entered into insolvent liquidation and is personally liable for the insolvency of such company or enterprise, where three years have not yet elapsed since the date of completion of the liquidation of the company or enterprise;
- (IV) a person who is a former legal representative of a company or enterprise which had its business license revoked or ordered to close down due to a violation of the law and who incurred personal liability, where 3 years have not yet elapsed since the date of revocation of the business license of the company or enterprise;
- (V) a person who has a relatively large amount of debts due and outstanding;



(VI) other circumstances stipulated by laws, administrative regulations, departmental rules and the listing rules of the stock exchange where the Company's shares are listed.

Any election, appointment or employment of directors in violation of this provision shall be invalid. The Company shall dismiss the director if he is involved in the said circumstances set out in this Article during his term of office.

**Article 98116**

Directors shall be elected or changed at the general meeting, and may be removed at the shareholders' general meeting before the expiration of their term of office and serve a term of three years for each session. A director may serve consecutive terms if re-elected upon the expiry of his term, unless otherwise stipulated by the relevant laws, regulations, these Articles of Association and listing rules of the stock exchange of the place where the Company's shares are listed.

The term of a director commences from the date on which he assumes office, until the current term of service of the board of directors ends. If a director's term of service expires but a new director is not yet appointed, the existing director shall continue to fulfill the duties as a director according to the laws, administrative regulations, departmental regulations and these Articles of Association until the newly elected director's appointment comes into effect.

A director may concurrently hold the positions of general manager or other senior management members. But the total number of general managers or other senior management members who also assume directorship in the company shall not exceed one half of the total number of directors.

Without violation of relevant laws and regulations and the regulatory rules of the place where the shares of the Company are listed, all directors appointed to fill casual vacancies to the board of directors or newly appointed directors shall be subject to election by shareholders at the first annual general meeting after their appointment.

A director needs not be a shareholder of the Company.

**Article 99117**

The directors shall abide by laws, administrative regulations, and these Articles, and faithfully perform the following obligations for the Company:

- (I) not to abuse their functions and powers to accept bribery or other illegal income and not to misappropriate the Company's assets;
- (II) not to embezzle the Company's funds;
- (III) not to open accounts in their own name or in the names of others, for depositing the funds or assets of the Company;
- (IV) not to lend the Company's funds to others or provide guarantees for others with the Company's assets in violation of the provisions hereof and without the approval of the shareholders' general meeting or the board of directors;
- (V) not to enter into any contract or transaction with the Company in violation of the provisions hereof and without the approval of the shareholders' general meeting;
- (VI) not to take advantage of position to seek for himself or herself or others the business opportunities originally belong to the Company, operate for himself or herself or others business similar to the Company's without the consent of shareholders at the general meeting;
- (VII) not to accept commission derived from transactions with the Company as personal gains;
- (VIII) not to disclose secrets of the Company without authorization;
- (IX) not to abuse connected relationships to impair the interests of the Company;
- (X) other faithful discharge of obligations as prescribed in the laws, administrative regulations, departmental regulations and these Articles.

Any income of the directors arising from violation of this Article shall be owned by the Company; where the directors cause losses to the Company, they shall bear compensation liabilities.

**Article 100**

The directors shall abide by the laws, administrative regulations and these Articles, and shall perform the following obligations with due diligence for the Company:

- (I) prudently, earnestly and diligently exercise the rights conferred by the Company so as to ensure the compliance of the Company's business operations with the requirements of the State laws, administrative regulations and the various State economic policies and that business activities do not exceed the business scope mentioned in the business license;
- (II) treat all the shareholders fairly;
- (III) timely be informed of the business operations and management of the Company;
- (IV) sign the Company's periodical reports with written confirmations and opinions, to ensure the authenticity, accuracy and completeness of the information disclosed by the Company;
- (V) provide relevant information and materials to the board of supervisors faithfully, and not impede the board of supervisors or supervisors in exercising their functions and powers;
- (VI) other obligations of diligence as prescribed in the relevant laws, administrative regulations, departmental regulations and these Articles.

**Article 101**

The directors shall, collectively and individually, fulfill their fiduciary duties and duties of skill, care and diligence to a standard at least in compliance with the standard established by the laws of Hong Kong. This means that every director must, in the performance of his duties as a director:

- (I) act honestly and in good faith in the interests of the Company as a whole;
- (II) act for proper purpose;
- (III) be answerable to the ~~issuer~~ listed company for the application or misapplication of its assets;

- (IV) avoid actual and potential conflicts of interest and conflicts in duty;
- (V) disclose fully and fairly his interests in contracts with the ~~issuer~~ listed company; and
- (VI) apply such degree of skill, care and diligence as may reasonably be expected of a person of his knowledge and experience and holding a directorship in ~~an issuer~~ a listed company.

**Article 10218**

The notice concerning proposed nomination of a director candidate and the written notice regarding the indication of the candidate's intention to accept the nomination shall be sent to the Company with a notice period of at least 7 days. The said period shall not commence earlier than the first day upon the issue of the notice for convening the general meeting for this purpose, and the date of expiry shall not be later than 7 days prior to the date of convening the general meeting.

Subject to compliance with relevant laws, regulations and the listing rules of the listing place where the Company's shares are listed, a director can be removed by way of an ordinary resolution passed on a general meeting before the expiry of his term of office. Such removal does not prejudice the director's claim for damages pursuant to any contract.

**Article 10319**

If a director is unable to attend board meetings in person for two consecutive meetings, and does not appoint other directors to attend board meeting on his behalf, he shall be deemed as failing to perform his duties. The board of directors shall propose to the general meeting to dismiss him.

**Article 10420**

A director may resign before expiry of his term of service. When a director resigns, he shall tender a written resignation notice to the board of directors.

If the number of the directors fall below the minimum statutory requirement due to a director's resignation, the existing director shall continue to perform his duties in accordance with the law, administrative regulations, departmental rules and these Articles of Association until the re-elected director assumes office; the notice of resignation of the resigning director will only become effective until a new director is appointed to fill the vacancy.

Save for the circumstances referred to in the preceding paragraph, the director's resignation takes effect upon delivery of his/her resignation notice to the board of directors.

**Article ~~10521~~**

Upon resignation taking effect or expiration of his term of office, a director shall complete his hand-over procedures with the board of directors. The fiduciary duties of a director to the Company and the shareholders do not necessarily cease after the end of his tenure of office, and shall remain in force within two years. Where his obligation of confidentiality of the Company's trade secrets shall remain in force after his tenure of office until such trade secrets become publicly known. Other obligations may continue for such period as the principle of fairness may require depending on the time lapse between the termination of tenure and the occurrence of the event concerned and the circumstances under which the relationships between them and the Company are terminated.

**Article ~~10622~~**

Save as specified in these Articles of Association or authorized by the board of directors in accordance with laws, no director shall act in his personal capacity on behalf of the Company or the board of directors. When a director acts in his personal capacity, but a third party may reasonably believe that the director is representing the Company or the board of directors, that director shall declare his stance and capacity in advance.

**Article ~~10723~~**

If a director breaches the laws, administrative regulations, departmental regulations or these Articles of Association when carrying out his duties and causes loss to the Company, he shall be held responsible for damages.

**Section 2 Board of Directors**

**Article ~~108~~24** The Company shall set up a board of directors which shall be accountable to the general meetings.

**Article ~~109~~25** The board of directors shall consist of 7–9 directors, including not less than 3 independent non-executive directors and accounting for not less than one-third of the members of the board of directors.

The board of directors shall have one chairman, and the general meeting shall decide whether or how to set up the post of vice chairman by an ordinary resolution at the general meeting (the reference to vice chairman herein and thereafter within these Articles of Association is only applicable to circumstances where position(s) of vice chairman (or vice chairmen) is set up in the Company).

The chairman and vice chairman (or vice chairmen) shall be elected and removed by more than half of all directors. The term of office of the chairman and vice chairman (or vice chairmen) shall be three years, renewable upon re-election.

**Article ~~110~~26** The board of directors exercises the following functions and powers:

- (I) to convene general meetings and report to the general meetings;
- (II) to implement resolutions of the general meetings;
- (III) to decide on the Company's business plans and investment plans;
- (IV) to formulate the annual financial budgets and final accounts of the Company;
- (V) to formulate the Company's profit distribution plans and plans on making up losses;
- (VI) to formulate proposals for the increase or reduction of the Company's registered capital, the issuance of bonds or other securities of the Company and listing of shares of the Company;

- (VII) to formulate plans for the Company's merger, division, dissolution or change of corporate form;
- (VIII) to formulate plans for the Company's substantial acquisitions and sale, and repurchase of shares of the Company;
- (IX) within the scope authorised by the general meeting, to decide on such matters as the Company's external investments, acquisition and disposal of assets, provision of security on the Company's assets, provision of guarantee, wealth management entrustment and connected transactions, etc.;
- (X) to decide on establishment of internal management organs of the Company;
- (XI) to decide the establishment of committees of the board of directors; appoint or dismiss chairman (convenor) of the committees of the board of directors;
- (XII) to engage or dismiss the Company's general manager and secretary to the board of directors, company secretary; to engage or dismiss senior management including deputy general manager(s) and the person in charge of finance of the Company in accordance with the nominations by general manager, and to decide on their remunerations;
- (XIII) to formulate the basic management system of the Company;
- (XIV) to formulate proposals to amend these Articles of Association;
- (XV) to formulate proposals to adopt share incentive plan of the Company;
- (XVI) to manage information disclosure of the Company;
- (XVII) to propose to the general meeting the appointment or replacement of the accounting firm that provides audit service to the Company;
- (XVIII) to listen to work reports submitted by the general manager of the Company and review his/her work;

- (XIX) to decide material matters and administrative matters other than those matters required to be decided by the general meeting of the Company in accordance with laws, administrative regulations, department regulations and these Articles of Association and to sign other material agreements;
- (XX) other functions and powers provided for in laws, administrative regulations, department regulations, listing rules of the listing place where the Company's shares are listed and these Articles of Association, and conferred at general meetings.

The above matters of authority exercised by the board of directors or any transaction or arrangement of the Company which shall be considered and approved at the general meeting according to listing rules of the listing place where the Company's shares are listed, shall be submitted to the general meeting for consideration and approval.

~~Except for the board resolutions in respect of the matters specified in paragraphs (VI), (VII) and (XIV) which shall be passed by more than two-thirds of the directors, the board resolutions in respect of all other matters may be passed by more than one-half of the directors.~~

If the matters are out of the authorized scope conferred by the shareholders' general meeting, such matters should be tendered to the shareholders' general meeting for review.

**Article 11127**

The board of the directors of the Company shall establish the audit committee and may establish the nomination committee, the remuneration and appraisal committee and other relevant specialized committees as needed. The specialized committees are accountable to the board of directors and perform their duties in accordance with the Articles of Association and authorization by the board of directors. Their proposals shall be submitted to the Board for deliberation and decision. The membership of the specialized committees shall all be composed of directors, of which independent directors shall account for the majority of the members and act as the convener of the audit committee, the nomination committee, and the remuneration and appraisal committee, and the convener of the audit committee shall be a qualified accountant. The board of directors shall formulate the rules of procedures for each specialized committee, so as to regulate its operation.



**Article 112**                    The board of directors of the Company shall explain to the shareholders' general meeting any non-standard audit opinions on the Company's financial statements issued by the certified public accountants.

**Article 113**                    The board of directors shall formulate the ~~R~~rules of ~~P~~procedures of the board of directors to ensure implementation of the resolutions of the general meetings, enhance work efficiency and ensure scientific decision-making. The ~~R~~rules of ~~P~~procedures of the board of directors specifying the convening and voting procedures of board meetings shall be formulated by the board of directors, subject to consideration and approval at the general meeting.

**Article 128**                    ~~The board of directors shall not, without prior approval of shareholders at a general meeting, dispose of or agree to dispose of any fixed assets of the Company where the aggregate of the expected value of the fixed assets to be disposed of, and the value of the consideration for any disposal of fixed assets in the 4 months immediately preceding the proposed disposal exceeds 33% of the value of the Company's fixed assets as stated in the latest balance sheet approved by the general meeting.~~

~~A "disposal of fixed assets" as referred to in this Article includes the transfer of interest in certain assets but excludes the provision of guarantee with fixed assets. The effectiveness of transaction of the Company's disposal of fixed assets shall not be affected by a breach of the first paragraph of this Article.~~

**Article 11429**                    The board of directors shall confirm on the rights regarding the approval of external investment, acquisition and sale of assets, mortgage of assets, external guarantee, entrusted management of wealth, connected transactions, external donations, etc.; shall establish strict examination and decision-making procedures; the major investment projects shall be subject to review by the relevant experts and professionals and be reported to the shareholders' general meeting for approval.

**Article 115**                    The chairman of the board shall exercise the following functions and powers:

- (I) to preside over general meetings and to convene and preside over meetings of the board of directors;
- (II) to supervise, check the implementation of resolutions of the board of directors;

- ~~(III) to sign on share certificates, bond certificates and other securities issued by the Company;~~
- ~~(IV) organize the formulation of various rules and coordinate operation of the board of directors;~~
- ~~(V) to sign on important documents of the board of directors and legally binding documents on behalf of the Company;~~
- ~~(VI) to exercise the powers and functions as the legal representative;~~
- ~~(VII) to nominate candidates for secretary to the board of directors, members and chairman of the specialized committee under the board of directors;~~
- ~~(VIII) to listen to regular or provisional work reports of the company's senior management, and provide guidance opinion to implementation of the resolutions of the board of directors;~~
- ~~(IIIX) other functions and powers authorized by the laws, administrative regulations, departmental rules, these Articles of Association and the board of directors.~~

The vice chairman shall assist the chairman of the board of directors in work. Should the chairman be unable or fail to exercise his/her duties or powers, the vice chairman shall exercise such duties or powers (if the Company has two or more vice chairmen, the vice chairman jointly recommended by not less than a half of the directors shall perform such duties or powers). If there is no vice chairman appointed or if the vice chairman is unable to or fails to exercise his/her duties or powers, a director elected by not less than one half of the directors shall exercise such duties or powers.

**Article 11630**

The board meetings include regular meetings and extraordinary meetings.

A regular board meetings shall be held at least four times a year. The meeting shall be convened by the chairman of the board by serving notices and relevant documents to all directors and supervisors 104 days prior to the date of meeting.

An extraordinary board meeting shall be convened at the request of the ~~chairman of the board of the directors,~~ shareholder representing not less than one tenth of the voting rights, not less than one-third of the directors, or the board of supervisors ~~or the general manager.~~ The chairman shall, convene and preside over the extraordinary board meeting within 10 days upon receipt of the request, and shall deliver a notice to all directors and supervisors three days prior to the meeting is held.

In case of emergency, an extraordinary board meeting may be held upon approval by the chairman, which is not subject to the requirement of meeting notice as set out in this Article, given that a proper notice shall be given to directors, supervisors and general manager.

Board meetings can be held by means of telephone conference, video conference, circulation of documents, fax and other means of communication on the premise that the directors can fully express their opinions. All directors so present at the meeting shall be deemed to have attended the meeting in person. For board meetings held by means of communication, notices of such meetings shall provide details of the proposals to be put forward at the meetings and specify the deadline for voting. Directors who attend such meetings shall send their voting opinions to the Company by fax before the voting deadline specified in the notices, and send the original of voting opinions signed by themselves to the board of directors of the Company.

Where any director has a material conflict of interest in the matters to be considered by the board, such matters shall be handled by convening a board meeting (instead of by a written resolution). Any independent non-executive director and its associates not materially interested in a transaction shall attend the relevant board meeting.

**Article ~~11731~~**

The notice of board meetings may be delivered in the manners as set out in Article ~~191227~~ of these Articles of Association.

Directors who have attended the meeting will be deemed to have been issued a notice of board meeting if he had not raised any issues of not having received such notice before or during the board meeting.

- Article 11832** A notice of board meeting shall include the following contents:
- (I) the date and venue of meeting;
  - (II) the duration of the meeting;
  - (III) the matters and topics to be considered;
  - (IV) the date of issuance of notice;
- Article 133** ~~For material matters to be decided by the board of directors of the Company, sufficient information shall be provided to the directors, and the directors may request supplementary materials. Where more than one fourth of the directors or two or more independent non-executive directors are of the view that the information is insufficient or the argument is not clear, they may jointly propose to postpone the board meeting or certain matters to be discussed by the board, and the board of directors shall accept such proposal.~~
- Article 11934** The board meeting shall be held only when more than half of the directors (including proxies) are present, except for the approval of connected transactions by the board of directors as stipulated in Article 12136 of these Articles of Association.
- Unless or otherwise provided in other articles herein, resolutions of the board of directors shall be passed by more than half of all directors.
- Vote on board of directors resolution shall be carried out on the basis of one person one vote. Each director shall have one vote. In the case of equal votes in favor of and against the resolution, the chairman of the board of directors shall have a casting vote.
- Article 12035** A director should attend board meetings in person. Where a director is unable to attend for certain reasons, he may appoint in writing another director to attend the board meeting on his behalf. The instrument of proxy shall specify the name of the proxy, relevant matters, scope of authorization and the validity period, and shall be signed or sealed by the appointor.
- The director attending the meeting on behalf of the entrusting director shall only exercise the rights within the scope of authorization. A director failing to attend a board meeting either in person or by proxy shall be deemed as having waived his right to vote at the meeting.

The expenses reasonably incurred by directors in attending board meetings shall be borne by the Company. Such expenses shall include the travelling expenses from the place of domicile of the directors to the venue of the meeting (if it is not at the place of domicile of the directors), accommodation expenses during the meeting and local transportation expenses.

**Article 12136**

If any director has connected relationship with the enterprises that are involved in the matters to be resolved at the meeting of the board of directors, he or she shall not exercise his or her voting rights for such matters, nor shall such director exercise voting rights on behalf of other directors. Such meeting of the board of directors may be held only if more than half of the directors without a connected relationship are present, and the resolutions made at such a meeting of the board of directors shall be passed by more than half of the directors without a connected relationship. If the number of non-connected directors present at such meeting does not reach three, the matter shall be submitted to the general meeting for consideration.

Except for the circumstances allowed by Note 1 of Appendix 3 to the Listing Rules or the Hong Kong Stock Exchange, a director shall not exercise the voting right on any resolutions of the board of directors in relation to any contract or arrangement or any other suggestions where he or any of his close associates (as defined in the Listing Rules) is materially interested, nor shall he/she exercise the voting right on behalf of other directors. The board meeting can be held with the attendance of more than half of the non-connected directors (such director shall not be counted in the quorum of the relevant meeting). The resolutions of the board meeting shall be passed by more than half of the non-connected directors. Where the number of non-connected directors attending a board meeting does not reach three, such matter shall be submitted to the general meeting for deliberation.

**Article 12237**

Voting on board meetings shall be conducted by open ballot.

**Article 12338**

The board of directors shall keep minutes of resolutions on matters discussed at relevant meetings. The minutes shall be signed by the directors and the secretary to the board of directors.

The minutes of the meeting of the board of directors shall be kept on file at the Company for a period of no less than ten years.

The directors shall be responsible for the resolutions of the board of directors. Any director who votes for a resolution which violates the laws, administrative regulations or these Articles of Association, thereby causing serious losses to the Company, shall be liable for compensation. However, if a director can prove that he had expressed his opposition to such resolution when it was put to the vote and such opposition is recorded in the minutes of the meeting, the director may be relieved of such liability.

**Article ~~12439~~**

Minutes of the board meetings shall consist of the following:

- (I) the date and venue of the meeting and the name of the convener;
- (II) the names of the attending directors and the directors (proxies) attending the meeting on behalf of others;
- (III) the agenda of the meeting;
- (IV) the highlights of directors' speeches;
- (V) the voting method and result of each resolution (the result shall specify the number of votes for, against and abstaining).

**CHAPTER ~~944~~ SECRETARY TO THE BOARD OF DIRECTORS****Article ~~12540~~**

The Company shall have a secretary to the board of directors. The secretary to the board of directors is a member of the senior management of the Company.

**Article ~~12641~~**

The secretary to the board of directors of the Company shall be a natural person with the requisite professional knowledge and experience and shall be appointed by the board of directors.

The primary duties of the secretary to the board of directors are:

- (I) to ensure that the Company has complete constitutional documents and records;
- (II) to ensure that the Company prepares and submits reports and documents as required by the competent authorities in accordance with law;
- (III) to ensure that the register of members of the Company is properly established and that the persons who have the right of access to the relevant records and documents of the Company are able to gain access to the same in due time;
- (IV) to exercise other duties stipulated by laws, administrative regulations, departmental rules, the listing rules of the places where the Company's shares are listed or these Articles of Association.

**Article 12742**

Director or other senior management personnel of the Company may serve concurrently as the secretary to the board of directors. Any accountant from the accounting firm engaged by the Company shall not concurrently serve as the secretary to the board of directors of the Company.

Where the office of the secretary to the board is held concurrently by a director, and an act is required to be made by a director and the secretary to the board separately, the person who concurrently holds the offices of director and secretary to the board shall not perform the act in dual capacity.

**Article 12843**

Directors, general manager and relevant departments within the Company shall support the secretary to the board of directors to perform his or her duties pursuant to the laws, and provide necessary assurance in terms of organizational structure, staff deployment and costs. Relevant departments of the Company shall actively support the work of the secretary to the board of directors.

**CHAPTER 102 GENERAL MANAGER**

**Article 12944**

The Company has one general manager, several deputy general managers to assist the general manager; and one chief financial officer. The general manager, deputy general managers and chief financial officer shall be appointed or dismissed by the board of directors.

- Article 130**                    The circumstances of disqualification for directors prescribed in Article 97 of the Articles of Association shall be applicable to senior executives.
- Provisions regarding the duty of loyalty of directors under Article 99 and of diligence of directors under items (IV), (V) and (VI) of Article 100 hereof shall be applicable to the senior executives.
- Article 131**                    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 behalf of the Company.
- Article 132**                    The general manager shall serve terms of three years and may serve consecutive terms if reappointed.
- The general manager may resign before his or her term of office expires. The procedure and rules for such resignation shall be specified in the labor contract between the general manager and the Company. If the general manager is unable to fulfil his or her duty for any special reason, the board of directors shall designate one deputy general manager to act on his or her behalf.
- Directors may concurrently serve as general manager or other senior management personnel.
- Article 133**                    The general manager shall be accountable to the board of directors and exercise the following functions and powers:
- (I)    to be in charge of the production, operation and management of the Company, and to report his/her works to the board of directors;
- (II)   to organise the implementation of the resolutions of the board of directors;
- (III) to organise the implementation of the Company's annual business plans and investment plans;
- (IV) to draft plans for the establishment of the Company's internal management organisation;
- (V) to draft plans for the establishment of the Company's branches;



- (VI) to draft the Company's basic management system;
- (VII) to formulate the Company's basic regulations;
- (VIII) to propose the appointment or dismissal of the Company's deputy general manager, chief financial officer or other senior management personnel;
- (IX) decide to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors;
- (X) such other functions and powers conferred by these Articles of Association or the board of directors.

**Article 13447** The general manager of the Company shall attend Board meetings. A non-director manager shall not have any voting right at the Board meetings.

**Article 13548** The general manager shall formulate detailed working rules of the general manager, which shall be submitted to the board of directors for approval before implementation.

**Article 13649** In exercising functions and powers, the general manager of the Company shall fulfil the obligation of integrity and diligence in accordance with laws, administrative regulations and these Articles of Association.

**Article 137** The senior executive who violates laws, administrative regulations, departmental regulations or these Articles of Association while performing his/her duties to the Company, thereby causing losses to the Company shall be liable for compensation.

**Article 138** Senior executives of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If any senior executive of the Company causes damage to the interests of the Company and its public shareholders due to failure in faithfully performing their duties or violation of his/her fiduciary duties, he/she shall be liable for compensation in accordance with the laws.

## CHAPTER 113 BOARD OF SUPERVISORS

## Section 1 Supervisors

**Article 139**                    The circumstances of disqualification for directors prescribed in Article 97 of the Articles of Association shall be applicable to supervisors.

**Article 14050**                The term of office of each supervisor shall be period of three years, renewable upon re-election.

**Article 14151**                Any directors, general managers and other senior management shall not act concurrently as supervisors.

**Article 14252**                If the term of office of a Supervisor expires but re-appointment is not made responsively, or if any Supervisor resigns during his or her term of office so that the membership of the board of supervisors falls below the quorum, the existing supervisor shall continue performing the duties as supervisor pursuant to the laws, administrative regulations and these Articles of Association until a new supervisor is appointed.

**Article 14353**                Supervisors may attend the meeting of the board of directors, and make enquiry or provide suggestions on the resolutions of the board of directors.

**Article 14454**                The supervisors shall not abuse their connected relationship to harm the interests of the Company, and shall compensate for any losses caused to the Company.

**Article 14555**                Supervisors shall faithfully perform the supervisory duties assume their obligation to the Company to act faithfully and diligently, and not abuse their functions and powers to accept bribery or other illegal income, nor embezzle company assets in accordance with the laws, administrative regulations and these Articles of Association.

If any supervisor violates the laws, administrative regulations, departmental rules or these Articles of Association in performing his or her duties, thereby incurring any loss of the Company, the said supervisor shall be liable for compensation.

**Section 2 Board of Supervisors**

- Article 14656** The Company shall establish a board of supervisors.
- Article 14757** The board of supervisors shall consist of three (3) supervisors, one of which shall be the chairman.
- ~~The chairman of the board of supervisors shall be elected and dismissed by more than a two-thirds (including two-thirds) vote of the members of the board of supervisors.~~
- The chairman of the board of supervisors shall be elected by more than half of all supervisors.
- Article 14858** The board of supervisors consists of shareholders' representative supervisors and an employee representative supervisor. Shareholders' representative supervisors shall be elected and removed by the general meeting. The employee representative supervisor shall account for no less than one-third of the members of the board of supervisors, and shall be elected and removed by the employees of the Company democratically.
- Article 14959** The board of supervisors shall be accountable to the general meeting and exercise the following functions and powers in accordance with law:
- (I) shall examine the regular reports of the Company as prepared by the board of directors and give its examination opinions in writing;
  - (II) to examine the Company's financial matters;
  - (III) to supervise the performance by the directors and senior management of their duties to the Company to ensure that there is no violation of laws, administrative regulations and these Articles of Association of the Company during their performance of the duties to the Company; to propose the dismissal of the directors and senior management who violates laws, administrative regulations, these Articles of Association of the Company or the resolutions of the general meeting;
  - (IV) to demand rectification from the directors and senior management when the acts of such persons are harmful to the Company's interests;

- (IV) ~~to verify the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the board of directors to the general meetings and, should any queries arise, to engage, in the name of the Company, certified public accountants and practising auditors for a re-examination of the aforesaid information;~~
- (V) to propose the convening of extraordinary general meetings; to convene and preside the general meetings in the event that the board of directors fails to perform its duties to convene and preside the general meetings;
- (VI) to submit motion to the general meetings;
- (VII) to propose the convening of interim meeting of the board of directors;
- (VIII) to communicate or sue directors and senior management on behalf of the Company in accordance with Article 151 of the Company Law;
- (IX) to investigate any abnormal matters during the business operation of the Company; if necessary, to engage professionals such as accounting firms or law firms to assist it in exercising its functions and powers with expenses being borne by the Company;
- (X) other functions and powers provided by these Articles of Association.

**Article ~~1506~~**

Meetings of the board of supervisors shall be held at least once every six months, and shall be convened by the chairman of the board of supervisors. ~~s~~Supervisors may propose to convene an extraordinary meeting of the board of supervisors.

Where the chairman of the board of supervisors is incapable of performing or fails to perform his or her duties, a Supervisor recommended by not less than half of the supervisors shall convene and preside over the meeting of the board of supervisors.

**Article ~~1516~~**

The board of supervisors shall formulate the rules of procedures for the board of supervisors in order to ensure working efficiency and scientific decision-making. The convening method and voting procedure stipulated in the rules of procedures for the board of supervisors shall be drafted by the board of supervisors and approved by the general meeting.

**Article 15262**

A meeting of the board of supervisors can be held with the attendance of more than half of the supervisors, and the resolutions of the board of the supervisors shall be passed with not less than half of the votes of the supervisors. Voting at the meeting of the board of supervisors shall be carried out by poll and each supervisor shall have one vote. Supervisors shall attend meetings of the board of supervisors in person, or appoint in writing another supervisor to attend the meeting on his or her behalf due to his or her absence. The letter of authorization shall specify the scope of authorization.

~~Resolutions of the board of supervisors shall be approved by more than a two-thirds (including two-thirds) vote of the members of the board of supervisors.~~

**Article 15363**

The board of supervisors shall file resolutions as minutes, which shall be signed by the attending supervisors.

Supervisors shall be entitled to have an explanatory note made in the minutes regarding his or her speech at the meeting. Minutes of the meeting of the board of supervisors shall be kept on company file for at least ten years.

**Article 15464**

A written notice of a meeting of the board of supervisors shall be served to all the supervisors 10 days before the date of a regular meeting or three days before the date of an extraordinary meeting. Notice of urgent meetings is not subject to the aforesaid time restriction.

The notice of a meeting of the board of supervisors shall specify:

- (I) the date, venue, and duration of the meeting;
- (II) the reasons and issues of discussion;
- (III) the date of issuance of notice.

**Article 15565**

Reasonable expenses of the supervisors for attending meetings of the board of supervisors shall be borne by the Company. The said expenses cover travelling expenses from the place of domicile of the supervisors to the venue (if it is not at the domicile of the supervisors) of the meeting, accommodation expenses, rent for the venue and local travelling expenses during the meeting.

**Article 15666**

The reasonable expenses incurred by the board of supervisors in the engagement of professionals such as lawyers, certified public accountants, practicing auditors, etc., to perform its duties shall be borne by the Company.

**~~CHAPTER 14 QUALIFICATIONS AND OBLIGATIONS OF THE COMPANY'S DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT PERSONNEL~~**

**Article 167**

~~None of the following persons shall serve as a director, supervisor or senior management personnel:~~

- ~~(I) Anyone who has no civil capacity or has limited civil capacity;~~
- ~~(II) Anyone who has been convicted of the offense of corruption, bribery, embezzlement or misappropriation of property, or the destruction of socialist market economy order; or who has been deprived of his political rights due to his crimes, in each case where less than five years have elapsed since the date of completion of the sentence;~~
- ~~(III) Anyone who has served as director, factory manager or manager of a company or enterprise that was bankrupt and liquidated due to poor operational management, was personally liable for the bankruptcy of the company or enterprise, where less than three years have elapsed since the date of completion of bankruptcy and liquidation of the company or enterprise;~~

- (IV) ~~Anyone who has served as the legal representative of a company or enterprise whose business license was revoked or was ordered to close due to violation of laws, was personally liable, where less than three years have elapsed since the date on which the business license of such company or enterprise was revoked;~~
- (V) ~~Anyone who has a large sum of debt, which was not paid at maturity;~~
- (VI) ~~Anyone who is investigated by the judicial agencies for violation of criminal law and whose case is pending;~~
- (VII) ~~Persons who are subject to the punishment of the competent authority of securities of the State Council, which prohibits them from entering into the securities market for a period which has not yet expired;~~
- (VIII) ~~Anyone who may not serve as a head of the Company pursuant to the provisions of the laws and administrative regulations, or regulations of the competent authorities;~~
- (IX) ~~Anyone judged by the competent agencies to have violated the provisions of relevant securities laws, has been involved in deceptive or dishonest acts, where less than five years have elapsed since the date on which the judgment was made;~~
- (X) ~~Anyone who is not a natural person;~~
- (XI) ~~Other circumstances prescribed by the laws, administrative regulations, departmental rules, or provisions of the securities regulatory authority or stock exchange where the company's shares are listed.~~

~~Any election of directors or supervisors or appointment of senior management personnel in violation of the above provisions herein shall be invalid. The Company shall dismiss the director, supervisor and other senior management personnel if he or she is involved in the aforesaid circumstances during his or her term of office.~~

#### **Article 168**

~~The validity of an act of a director or senior management personnel on behalf of the Company towards a vis-a-vis bona fide third party shall not be affected by any non-compliance in the appointment, election or qualification thereof.~~

**Article 169**

~~In exercising the functions and powers conferred by the Company, directors, supervisors and other senior management personnel shall fulfil the following obligations to each shareholder in addition to the obligations as required by laws, administrative regulations or the listing rules of the stock exchange where the company's shares are listed:~~

- ~~(I) not to allow the Company to operate beyond the business scope specified in the business license;~~
- ~~(II) to sincerely act in the best interest of the Company;~~
- ~~(III) not to seize from the Company any asset, including (but not limited to) opportunity favourable to the Company;~~
- ~~(IV) not to seize from any shareholder any personal interests, including (but not limited to) right to profit distribution and right to vote, but excluding corporate reorganisation submitted for adoption at the general meeting pursuant to these Articles of Association.~~

**Article 170**

~~In exercising rights or fulfilling obligations, the directors, supervisors and senior management personnel are obliged to act with due discretion, diligence and skill as a reasonable discreet person should do in similar circumstances.~~

**Article 171**

~~When performing their responsibilities, the directors, supervisors and senior management personnel shall comply with the principle of integrity and shall not put themselves in situations where their own interests may conflict with the obligations they have undertaken. This principle includes (but not limited to) performing the following obligations:~~

- ~~(I) to act honestly in the best interests of the Company;~~
- ~~(II) to exercise powers within the scope of their functions and powers and not to exceed such powers;~~
- ~~(III) to exercise the discretion vested in him or her personally and not to allow himself or herself to act under the control of any other party, unless and to the extent permitted by the laws, administrative regulations or with the consent of informed shareholders at a general meeting, not to delegate the exercise of his discretion;~~
- ~~(IV) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;~~



- (V) ~~unless otherwise stipulated in these Articles of Association or otherwise consented to by duly informed shareholders at a general meeting, not to enter into any contract, transaction or arrangement with the Company;~~
- (VI) ~~without the consent of duly informed shareholders at a general meeting, not to use the Company's property for his or her own benefits;~~
- (VII) ~~not to exploit his or her position to accept bribes or other illegal income or expropriate property of the Company by any means, including (but not limited to) opportunities advantageous to the Company;~~
- (VIII) ~~without the consent of duly informed shareholders at a general meeting, not to accept commissions in connection with any of the Company's transactions;~~
- (IX) ~~to abide by these Articles of Association, perform duties faithfully and safeguard the Company's interests, and not to exploit his or her position and power in the Company to advance his or her own private benefits;~~
- (X) ~~not to take advantage of position to seek for himself or herself or others the business opportunities originally belong to the Company, operate for himself or herself or others business similar to the Company's and compete with the Company in any way without the consent of duly informed shareholders at the general meeting;~~
- (XI) ~~not to misappropriate Company funds or deposit the Company funds or assets in an account under his or her own or other's name;~~
- (XII) ~~not to, in violation of the provisions of these Articles of Association, lend funds to any other person or provide security for the Company's shareholders or other person with any properties of the Company, without the consent of the general meeting or the board of directors;~~
- (XIII) ~~not to harm the interests of the Company through use of his or her connected relationship;~~
- (XIV) ~~not to disclose confidential information relating to the Company obtained during his or her office without the consent of duly informed shareholders at the general meeting;~~

Unless in the interest of the Company, using such information is also not allowed; however, under the following circumstances the information may be disclosed to a court or other competent government authorities if the disclosure is:

1. by order of the laws;
2. in the interests of the public; or
3. in the interest of such director, supervisor or senior management personnel of the Company.

(XV) not to perform other acts violating the fiduciary duties.

Income gained in violation of the provisions of this Article by the persons mentioned herein shall belong to the Company; and for any losses caused to the Company as a result of such violation, the violating person shall be liable for compensation.

**Article 172**

The directors, supervisors and senior management personnel may not cause the following personnel or institutions (hereinafter referred to as "associated persons") to do acts that the directors, supervisors and senior management personnel is prohibited from doing:

- (I) the spouses or minor children of the directors, supervisors and senior management personnel of the Company;
- (II) the trustee of the directors, supervisors and senior management personnel of the Company or of any person referred in paragraph (I) of this Article;
- (III) the partner of the directors, supervisors and senior management personnel of the Company or of any person referred in paragraphs (I) and (II) of this Article;
- (IV) the company over which the directors, supervisors and senior management personnel of the Company, solely or jointly with any person referred to in paragraphs (I), (II) and (III) of this Article or any other directors, supervisors and senior management personnel of the Company, has an actual controlling interest; and
- (V) the directors, supervisors or senior management personnel of the controlled company as referred to in paragraph (IV) of this Article.

**Article 173** ~~The fiduciary duties of the directors, supervisors and senior management personnel of the Company shall not necessarily terminate with the expiration of their terms; their obligation to keep the trade secrets of the Company in confidence shall survive the expiration of their terms, until such trade secrets become publicly available. The duration of other obligations shall be determined in accordance with the principle of fairness, depending on the length of time from the occurrence of the events to the time of resignation, as well as the circumstances and conditions under which the relationship with the Company is terminated.~~

**Article 174** ~~Except as provided in Article 60 hereof, directors, supervisors, and senior management personnel of the Company may be relieved of liability for specific breaches of obligations by the informed consent of shareholders at a general meeting.~~

**Article 175** ~~Where a director, supervisor and 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 the employment contract of a director, supervisor and senior management personnel with the Company), he or she shall declare the nature and extent of his or her interests to the board of directors at the earliest opportunity, whether or not the relevant issues shall be otherwise subject to approval of the board of directors.~~

~~Unless an interested director, supervisor and senior management personnel of the company has disclosed his or her interests to the board of directors in accordance to the preceding paragraph of this Article, and the contract, transaction or arrangement was approved by the board of directors at a meeting at which such interested director, supervisor and senior management personnel was not counted in the quorum and abstained from voting, the contract, transaction or arrangement is voidable by the Company, except as against a bona fide party thereto acting without being aware of the breach of duty by the interested director, supervisor and senior management personnel.~~

~~A director, supervisor and senior management personnel of the Company shall be deemed to be interested in a contract, transaction or arrangement in which any of his or her associated persons are interested.~~

- Article 176**                   Where a director, supervisor and senior management personnel of the Company has given a notice in writing to the board of directors prior to the first consideration of the relevant contract, transaction or arrangement, stating that, by reason of facts specified in the notice, he is interested in any contract, transaction or arrangement which may subsequently be entered into by the Company, that notice shall be deemed for the purpose of the preceding Article of this chapter to be a sufficient declaration of interests of such director, supervisor and senior management personnel.
- Article 177**                   The Company shall not in any manner pay taxes for or on behalf of its directors, supervisors and senior management personnel.
- Article 178**                   The Company shall neither directly nor indirectly make a loan to or provide any loan guarantee to directors, supervisors and senior management personnel of the Company and its parent, nor make a loan to or provide any loan guarantee to any of their respective associated persons.
- The provisions of the preceding paragraph shall not be applicable to the following circumstances:
- (I)    the provision by the Company of a loan or a loan guarantee to a subsidiary of the Company;
  - (II)   the provision by the Company of a loan or a loan guarantee or any other funds to a director, supervisor and senior management personnel of the Company to meet expenditures incurred by him or her for the purposes of the Company or for the purpose of enabling him or her to properly perform his or her duties, in accordance with the terms of an employment contract approved by shareholders at a general meeting; and
  - (III)  to the extent that the making of loans to or provision of loan guarantees by the Company is in its ordinary course of business, the Company may make loans or provide loan guarantees to any of the relevant directors, supervisors and senior management personnel or their respective associated persons, provided that such lending of money or provision of guarantees are on normal commercial terms.
- Article 179**                   A loan made by the Company in breach of the preceding article shall be forthwith repayable by the recipient of the loan regardless of the terms of the loan.

- Article 180**                    ~~A loan guarantee provided by the Company in breach of paragraph (I) of Article 178 shall not be enforceable against the Company, unless:~~
- ~~(I)    the loan was provided unknowingly by the lender to an associated person of any of directors, supervisors and senior management personnel of the Company or its parent;~~
  - ~~(II)   the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.~~
- Article 181**                    ~~For the purpose of the preceding Article of this chapter, a guarantee shall include an undertaking or property provided to secure the performance of obligations by the obligor.~~
- Article 182**                    ~~In addition to any rights and remedies provided by the laws and administrative regulations, where a director, supervisor and senior management personnel of the Company is in breach of his or her duties to the Company, the Company shall have a right to:~~
- ~~(I)    claim damages from the director, supervisor or senior management personnel in compensation for losses sustained by the Company as a result of such breach;~~
  - ~~(II)   rescind any contract or transaction entered into by the Company with the director, supervisor or senior management personnel or with a third party (where such third party is or should be aware that there is such a breach of obligations by the director, supervisor or senior management personnel who acts on behalf of the Company);~~
  - ~~(III) require the relevant director, supervisor or senior management personnel to turn over the profits obtained from the breach of their obligations;~~
  - ~~(IV) recover any monies received by the director, supervisor or senior management personnel which should otherwise have been received by the Company, including (but not limited to) commissions;~~
  - ~~(V)   require the relevant director, supervisor or senior management personnel to return the interests accrued or potentially accrued on the monies which otherwise should have been paid to the Company; and~~

- (VI) ~~commence legal proceedings to claim the properties arising from the breach of duties by the director, supervisor or senior management personnel.~~

**Article 183**

~~The Company shall, with prior approval of shareholders at a general meeting, enter into a written contract with each director and supervisor on his or her remuneration. The aforesaid remuneration shall include:~~

- (I) ~~the remuneration for the office as a director, supervisor or senior management personnel of the Company;~~
- (II) ~~the remuneration for the office as a director, supervisor or senior management personnel of a subsidiary of the Company;~~
- (III) ~~the remuneration for providing other services for management of the Company and its subsidiaries; and~~
- (IV) ~~the compensation received by a director or supervisor as a result of loss of office or retirement.~~

~~No director or supervisor shall institute any litigation against the Company for any benefits due to him or her in respect of the matters mentioned above unless provided for in the above contracts.~~

~~Moreover, the Company shall conclude written contracts with the company's directors, supervisors and senior management personnel, covering at least the following matters:~~

- (I) ~~the directors, supervisors and senior management personnel shall undertake to the Company to observe and comply with the Company Law, Special Regulations, these Articles of Association, Code on Takeovers and Mergers of Hong Kong, Code on Share Repurchases of Hong Kong and other provisions of the Hong Kong Stock Exchange, and explicitly articulate that the remedial measures to which the Company is entitled under these Articles of Association and such contracts and positions shall not be transferred;~~
- (II) ~~the directors, supervisors and senior management personnel shall undertake to the Company to observe and fulfil their due duties for the shareholders under these Articles of Association; and~~

~~(III) the arbitration clauses stipulated in Article 231 of these Articles of Association.~~

**Article 184**

~~The contract concerning the remunerations between the Company and the directors or supervisors shall provide that in the event that the Company is acquired, subject to the prior approval at the general meeting, the company's directors and supervisors shall be entitled to receive compensation or other monies in respect of the loss of office or retirement.~~

~~The acquisition in the preceding paragraph refers to any of the following circumstances:~~

- ~~(I) an offer made by any person to all the shareholders;~~
- ~~(II) an offer is made by any person such that the offeror will become a controlling shareholder. The definition of controlling shareholder is the same as defined in these Articles of Association.~~

~~If the relevant director or supervisor fails to comply with the provisions of this Article, any payment received shall belong to the person who sells the shares for accepting the aforesaid offer. The said director or supervisor shall bear all expenses arising from the distribution of such payments in a proportional manner and such expenses shall not be deducted from these payments distributed.~~

**Article 185**

~~The Company may establish the necessary liability insurance system for directors, supervisors and senior management personnel to reduce the risks that may result from their normal performance of duties.~~

**CHAPTER 125 FINANCIAL AND ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION****Article 15786**

The Company shall formulate its financial and accounting systems in accordance with the laws, administrative regulations and the PRC accounting standards formulated by the relevant financial authority of the State Council.

**Article 15887**

The fiscal year of the Company is Gregorian calendar year, i.e. from 1 January to 31 December every year.

The Company shall prepare financial reports at the end of each fiscal year. Such reports shall be audited by an accounting firm in accordance with the law.

**Article 15988**

~~The board of directors of the Company shall place before the shareholders at annual general meeting the financial reports prepared by the Company as required by the relevant laws, administrative regulations and regulatory documents promulgated by local government and regulatory authorities. The Company shall make up its annual accounts to a date falling not more than six months before the date of the annual general meeting. The Company shall report, disclose and/or file documents like annual reports, interim reports, results announcement to its shareholders in accordance with the laws, regulations, listing rules of the region where the Company's shares are listed and other regulatory documents.~~

**Article 189**

~~The financial reports of the Company shall be made available for inspection by shareholders 20 days prior to the convening of an annual general meeting. Each shareholder of the Company shall have the right to obtain a copy of the financial reports referred to in this Chapter.~~



~~Such financial reports mentioned in the preceding paragraph shall include the report of the board of directors and financial reports together with the balance sheet (including all documents annexed to the balance sheet as prescribed by applicable laws); and the profit or loss statement or income and expenditure statement, or, to the extent not violate the PRC laws, the financial summary as approved by the Hong Kong Stock Exchange.~~

~~At least 21 days before the convening of the annual general meeting, in any event no more than four months from the end of the relevant financial year, the Company shall deliver copies of the aforesaid financial reports to each holder of overseas listed foreign shares with the postage-paid mail, or other means as permitted by the laws and regulations of the place of listing of the Company's shares and the listing rules of the stock exchange where the Company's shares are listed (including by means of announcement on the Company's website or website(s) designated by the stock exchange where the Company's shares are listed or by email). The addresses of the recipient shall be registered address as shown on the register of members.~~

~~The Company shall issue to holders of overseas listed foreign shares the interim report for the first six months of each fiscal year within three months after the end of the said six months.~~

**Article 16090**

The financial statements of the Company shall be prepared not only in accordance with PRC accounting standards and regulations, but also in accordance with international accounting standards or the accounting standards of the place outside the PRC where shares of the Company are listed. If there are major differences in the financial statements prepared in accordance with these two sets of accounting standards, such differences shall be stated in notes appended to such financial statements. In distributing its profits after tax for an accounting year, the lower of the two amounts shown in the financial statements shall be adopted.

**Article 16191**

Any interim results or financial information published or disclosed by the Company shall be prepared not only in accordance with the PRC accounting standards and regulations, but also in accordance with either the international accounting standards or the accounting standards of the place outside the PRC where shares of the Company are listed.

- Article 192** ~~The Company shall publish financial reports twice every fiscal year, namely an interim financial report within 60 days after the end of the first six months of the fiscal year and an annual financial report within 120 days after the end of the fiscal year. Notwithstanding the foregoing, if the listing rules of the stock exchange on which the Company's shares are listed provide otherwise, such listing rules shall prevail.~~
- Article 16293** The Company shall not establish account books other than the statutory account books. The assets of the Company shall not be deposited into any personal account.
- Article 194** ~~Capital common reserve includes the following items:~~
- ~~(I) premium on shares issued at a premium price;~~
  - ~~(II) any other income designated for the capital common reserve by regulations of the relevant financial authority of the State Council.~~
- Article 16395** Where the Company distributes its after-tax profits for a given year, it shall allocate 10% of the profits to its statutory reserve. The Company shall no longer be required to make allocations to its statutory reserve once the aggregate amount of such reserve reaches not less than 50% of its registered capital.
- If the Company's statutory reserve is insufficient to make up losses from previous years, the Company shall use its profits from the current year to make up such losses before making the allocation to its statutory reserve in accordance with the preceding paragraph.
- After making the allocation from its after-tax profits to its statutory reserve, the Company may, subject to a resolution of the general meeting, make an allocation from its after-tax profits to the discretionary reserve.
- After the Company has made up its losses and made allocations to its reserves, the remaining profits of the Company shall be distributed in proportion to the shareholdings of its shareholders, unless these Articles of Association provide that distributions are to be made otherwise than proportionally.

If the general meeting or the board of directors breaches the provisions of the preceding paragraphs by distributing profits to shareholders before the Company has made up its losses and made allocations to the statutory reserve, the shareholders must return to the Company the profits that were distributed in breach of the said provisions.

Shares of the Company that are held by the Company itself shall not participate in the distribution of profits.

**Article 16496**

The reserve of the Company is used to make up the Company's losses, expand the production operation of the Company or increase the Company's capital. However, capital reserve shall not be used to make up the Company's losses.

When statutory reserve is converted into capital, the remaining balance of that reserve shall not less than 25% of the registered capital of the Company before the conversion.

**Article 197**

~~The Company may distribute dividends in the following ways (or in more than two ways simultaneously):~~

- ~~(I) cash;~~
- ~~(II) shares;~~
- ~~(III) other means as permitted by the law, administrative regulations, department rules and the regulatory rules of the listing places.~~

~~Cash dividends and other monies paid by the Company to holders of the domestic shares shall be paid in RMB. Cash dividends and other monies paid by the Company to holders of the overseas listed foreign shares shall be denominated and announced in RMB and paid in foreign currency. The HKD required by the Company to pay cash dividends and other amounts to holders of overseas listed foreign shares shall be obtained pursuant to the relevant state regulations on foreign exchange.~~

~~The dividend distribution of the Company shall be approved by the general meeting by way of an ordinary resolution and implemented by the board of directors.~~

**Article 16598**

~~Any amount paid up prior to the calls on any share shall carry interest but shall not entitle the shareholder to participate in respect thereof in a dividend subsequently declared.~~

After resolution of the profit distribution plan is made at the Company's shareholders' general meeting, the board of the directors of the Company shall complete the distribution of dividends (or shares) within two months from the end of the shareholders' general meeting.

**Article 16699**

The Company shall appoint receiving agents for holders of overseas-listed foreign investment shares to collect on behalf of the relevant shareholders the dividends distributed and other amount payable by the Company in respect of overseas-listed foreign investment shares.

The receiving agents appointed by the Company shall meet the requirements of the laws of the place or the relevant regulations of the stock exchange where the Company's shares are listed.

~~The receiving agents appointed by the Company for holders of H shares shall be a trust company registered under the Trustee Ordinance of Hong Kong.~~

~~Subject to the laws and regulations of the PRC and requirements of the Hong Kong Stock Exchange, the Company may exercise power to forfeit unclaimed dividends, provided that it does so only after the expiration of the applicable relevant period after the declaration of the dividends.~~

~~The Company has the power to cease sending dividend warrants by post to a given holder of overseas-listed foreign investment shares, provided that such power shall not be exercised until such dividend warrants have been so left uncashed on two consecutive occasions. However, the Company may exercise such power after the first occasion on which such a warrant is returned undelivered.~~

~~When exercising the power to issue share warrants to the bearers, the Company shall not issue any new share warrant to replace the lost ones unless the Company is satisfied beyond reasonable doubt that the original one has been destroyed.~~

~~The Company shall have the power to sell, in such manner as the board of directors thinks fit, any shares of a shareholder of overseas-listed foreign shares who is untraceable subject to the following conditions:~~

- ~~(I) the Company has distributed dividends at least three times in respect of such shares within 12 years, but none of such dividends was claimed;~~
- ~~(II) the Company has, after the expiration of a period of 12 years, made an announcement on one or more newspapers in the place in which the Company's shares are listed, stating its intention to sell such shares, and notify the securities regulatory authority of the place in which the Company's shares are listed of such intention.~~

#### CHAPTER 136 APPOINTMENT OF ACCOUNTING FIRM

##### Article ~~167200~~

The Company shall appoint an independent accounting firm which is qualified under the relevant regulations of the PRC to audit the Company's annual financial report and review other financial reports of the Company. The accounting firm shall serve a term of one year and may be re-engaged.

The first accounting firm of the Company may be appointed at the inaugural meeting before the first annual general meeting, and the term of the said accounting firm shall end at the conclusion of the first annual general meeting.

If the inaugural meeting does not exercise its authority specified in the preceding paragraph, such authority shall be exercised by the board of directors.

##### Article ~~168201~~

The accounting firm appointed by the Company shall hold office from the close of the current annual general meeting until the conclusion of the next annual general meeting.

##### Article 202

~~The accounting firm appointed by the Company shall have the following rights:~~

- ~~(I) the right to inspect at any time the books, records and vouchers of the Company, and to require the directors or other senior management of the Company to provide relevant information and explanation thereof;~~
- ~~(II) the right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the performance of duties of the accounting firm;~~

(III) ~~the right to attend general meetings and to receive all notice of, and other communications relating to, any general meeting which any shareholder is entitled to receive, and to be heard at any general meeting in relation to matters concerning its role as the accounting firm of the Company.~~

**Article 203**

~~Before the convening of the general meeting, the board of directors may fill any casual vacancy in the office of the accounting firm but while there is still any such vacancy, the surviving or continuing firm, if any, may act.~~

**Article 169204**

The Company's appointment of an accounting firm must be determined by the general meeting by ordinary resolution. The board of directors shall not appoint an accounting firm prior to the decision of the general meeting.

**Article 170205**

The general meeting may, by means of an ordinary resolution, dismiss any accounting firm prior to the expiration of its term of employment, notwithstanding anything in the contract between the accounting firm and the Company, but without prejudice to such accounting firm's right, if any, to claim damages from the Company in respect of such dismissal.

**Article 171206**

Audit fee of the accounting firm shall be decided at the general meeting by ordinary resolution.

**Article 172207**

The Company's appointment, removal and non-reappointment of an accounting firm shall be decided at the general meeting. ~~The resolution of the general meeting shall be filed with the securities regulatory authorities under the State Council.~~

Where it is proposed that any resolution be passed at a general meeting concerning the appointment of an accounting firm which is not an incumbent firm to fill a casual vacancy in the office of the accounting firm, or re-appointment of a retiring accounting firm which was appointed by the board of directors to fill a casual vacancy, or removal of the accounting firm before the expiration of its term of office, the following provisions shall apply:

(I) the proposal in relation to the appointment or dismissal shall be sent prior to the issue of notice of shareholders' general meeting to the accounting firm to be appointed, the accounting firm leaving its post or the accounting firm which has left its post during the accounting year. An accounting firm leaving its post includes dismissal, resignation and retirement.

- (II) If the accounting firm leaving its post makes a statement in writing and requests the Company to notify such statement to the shareholders, unless the statement is received too late, the Company shall:
  - (1) state on the notice issued for adoption of the resolution that an accounting firm about to leave its post has made a statement; and
  - (2) submit the copy of the statement as an appendix to the notice to the shareholders in the manner stipulated in these Articles of Association.
- (III) in the event that the statement of the accounting firm has not been dispatched in accordance with the provisions in paragraph (II) of this Article, the relevant accounting firm may request such statement to be read at the shareholders' general meeting, and may make further appeals.
- (IV) the accounting firm leaving its post shall be entitled to attend the following meetings:
  - (1) the shareholders' general meeting at which its term of service would otherwise have expired;
  - (2) the shareholders' general meeting for filling the vacancy caused by its dismissal; and
  - (3) the shareholders' general meeting convened as a result of its voluntary resignation.

An accounting firm which is leaving its post shall be entitled to receive all notices of, and other information relating to, any such meetings, and to speak at any such meetings in relation to matters concerning its role as the former accounting firm of the Company.

**Article 173208**

Prior notice shall be given to the accounting firm if the Company decides to dismiss such accounting firm or not to renew the appointment thereof. The accounting firm shall have the right to make a representation of opinions to the general meeting of shareholders. Where an accounting firm tenders its resignation, it shall explain at the general meeting whether there has been any impropriety on the part of the Company.

- (I) An accounting firm may resign its office by depositing at the Company's legal registered address a resignation notice. Such notice shall take effect upon the date it is placed at the Company's legal registered address or a later date as specified in the notice. The notice shall include 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.
- (II) Within 14 days upon the receipt of such notice in writing as referred in paragraph (I) of this Article, the Company shall deliver a copy of the notice to the relevant governing authority. Provided that the notice contains statements under paragraph (I)(2) of this Article, the Company shall prepare and made available copies of such statements for shareholders' inspection.

The Company shall also deliver copies of the said statements with postage prepaid mail to each overseas listed foreign shareholder at the address as registered in the shareholders register, or subject to applicable laws, regulations and listing rules, publish such information at the Company's website or a site specified by the stock exchange of the places where the Company's shares are listed.

- (III) If the accounting firm's resignation notice contains any statement under paragraph (I)(2) of this Article, the accounting firm may request the board of directors to convene an extraordinary general meeting to obtain explanations on the situation of its resignation.



## CHAPTER 147 MERGER, DIVISION, DISSOLUTION AND LIQUIDATION

## Section 1 Merger and Division

Article ~~174209~~

The merger or division of the Company shall require the preparation of a proposal by the board of directors. After such proposal has been adopted in accordance with the procedures specified in these Articles of Association, relevant examination and approval procedures shall be carried out according to law. Shareholders that oppose such proposal on the merger or division of the Company shall have the right to require the Company or shareholders that are in favor of such proposal to purchase their shares at a fair price. The contents of resolutions approving the merger or division of the Company shall be compiled in a special document for inspection by shareholders.

~~For holders of overseas listed foreign shares, the foregoing documents shall be served by post or in a way permitted by the relevant laws, regulations or listing rules of the stock exchange of the places where the Company's shares are listed.~~

Article ~~175210~~

The merger of a company may take the form of absorption or the establishment of a new company.

When a company absorbs other companies, it is merger by absorption, and the absorbed companies shall be dissolved. When not less than two companies merge to establish a new company, it is merger by new establishment, and all parties being merged shall be dissolved.

In the event of a merger, the merging parties shall execute a merger agreement, prepare balance sheets and a property list. The Company shall notify its creditors according to the Company Law, and shall publish a notice in newspapers recognized by the stock exchange of the places where the Company's shares are listed, and settle its debts or provide corresponding guarantees as the creditors require.

The creditors' rights and debts of each of the merging parties shall be assumed by the company which survives the merger or the newly established company.

**Article ~~176211~~**

When the Company is divided, its assets shall be divided up accordingly.

In the event of a division of the Company, the parties to such division shall execute a division agreement, balance sheets and a property list of the Company shall be prepared. The Company shall notify its creditors according to the Company Law, and publish a notice in newspapers recognized by the stock exchange of the places where the Company's shares are listed in thirty days.

Debts of the Company prior to division shall be jointly assumed by the companies which exist after the division, except provided otherwise in the written agreement between the Company and the creditors relating to the settlement of debt before the division.

**Article ~~177212~~**

Changes in particulars of the companies after merger or division must be registered with the registration authorities in accordance with the law. Cancellation of registration of shall be made in accordance with the law when a company is dissolved. Incorporation of a company shall be registered when a new company is incorporated in accordance with the law.

**Section 2 Dissolution and Liquidation****Article ~~178213~~**

The Company shall be dissolved and liquidated according to the law under any of the following circumstances:

- (I) other circumstances triggering dissolution of the Company as set forth in these Articles of Association;
- (II) the general meeting resolves to dissolve the Company by special resolution;
- (III) dissolution is necessary as a result of the merger or division of the Company;
- (IV) the Company's business licence is revoked or it is ordered to close down or it is deregistered according to laws; or

- (V) serious difficulties arise in the operation and management of the Company and its continued existence would cause material loss to the interests of the shareholders and such difficulties cannot be resolved through other means, in which case shareholders holding not less than 10% of all shareholders' voting rights of the Company may petition a people's court to dissolve the Company.

**Article 179214**

When any of the circumstances prescribed in Item (I) of Article 178 of the Articles of Association occurs, the Company may continue to exist by modifying the Articles of Association, which shall be approved by not less than two-thirds of voting powers held by shareholders present at the general meeting according to the provisions of the preceding paragraph.

Where the Company is dissolved according to the provisions of items (I), (II), (~~IV~~) and (~~V~~) of Article ~~178~~<sup>213</sup> hereof, it shall establish a liquidation committee and liquidation shall commence within 15 days from the date on which the cause for dissolution arose. The liquidation committee shall be composed of directors or persons determined ~~by way of an ordinary meeting~~ at general meeting. If the Company fails to establish the liquidation committee and carry out the liquidation within the time limit, its creditors may petition a people's court to designate relevant persons to form a liquidation committee and carry out the liquidation.

If the Company is to be dissolved pursuant to item (IV) of Article ~~178~~<sup>213</sup> hereof, the people's court shall, in accordance with the provisions of relevant laws, arrange for the shareholders, relevant authorities and relevant professionals to establish a liquidation committee to carry out liquidation.

**Article 180215**

If the board of directors decides that the Company shall be liquidated (except for the liquidation as a result of the Company's declaration of bankruptcy), the notice of the general meeting convened for such purpose shall include a statement to the effect that the board of directors has made full inquiry into the conditions of the Company and that the board of directors is of the opinion that the Company can pay its debts in full within 12 months after the commencement of the liquidation.

The functions and powers of the board of directors of the Company shall terminate immediately after the general meeting has passed the resolution to carry out liquidation.

The liquidation committee shall take instructions from the general meeting and shall make a report to the general meeting on the committee's income and expenditure as well as the business of the Company and the progress of the liquidation at least annually. It shall make a final report to the general meeting when the liquidation is completed.

**Article ~~181~~216**

The liquidation committee shall notify creditors within 10 days of its establishment, and make announcements on the newspapers designated by the stock exchange where the Company's shares are listed within 60 days of its establishment. Creditors shall declare their claims to the liquidation committee within 30 days from the date of receipt of the written notice or, if they did not receive a written notice, within 45 days from the date of the announcement.

To declare credits, a creditor shall explain the relevant matters and provide relevant supporting materials. The liquidation committee shall register the credits.

The liquidation committee shall not settle debts to any creditor during the period of credit declaration.

**Article ~~182~~217**

The liquidation committee exercises the following functions during the process of liquidation:

- (I) to ascertain the Company's assets and prepare a balance sheet and a property list;
- (II) to notify creditors by notice or announcement;
- (III) to deal with the outstanding affairs of the Company in relation to the liquidation;
- (IV) to settle outstanding taxes as well as taxes arising in the course of liquidation;
- (V) to settle credits and debts;
- (VI) to dispose of the remaining assets of the Company after the settlement of debts; and
- (VII) to represent the Company in any civil proceedings.

**Article ~~183~~218**

After the liquidation committee has liquidated the Company's property and prepared a balance sheet and property list, it shall formulate a liquidation plan and submit such plan to the general meeting or the people's court for confirmation.

The Company's property remaining after payment of the liquidation expenses, the wages, social insurance premiums and statutory compensation of the employees, the taxes owed and all the Company's debts shall be distributed by the Company to the shareholders in proportion to the shares they hold.

During liquidation, the Company shall continue to exist but may not engage in any business activities unrelated to the liquidation. The Company's property will not be distributed to the shareholders until repayment of its debts in accordance with the preceding paragraph.

**Article ~~184219~~**

In the event that the Company is liquidated due to dissolution, and the liquidation committee, having liquidated the Company's property and prepared a balance sheet and property list, discovers that the Company's property is insufficient to pay its debts in full, it shall apply to the people's court for a declaration of bankruptcy in accordance with the law.

After the people's court has ruled to declare the Company bankrupt, the liquidation committee shall turn over the liquidation matters to the people's court.

**Article ~~185220~~**

Following the completion of liquidation of the Company, the liquidation committee shall formulate a liquidation report, a ~~revenue and expenditure statement and financial accounts in respect of the liquidation period and, after verification thereof by a certified public accountant in China,~~ submit the same to the general meeting or the people's court for confirmation. ~~Within 30 days from the date of the general meeting's or the people's court's confirmation, the liquidation committee shall~~ and submit the aforementioned documents to the company registration authority to apply for company deregistration, and announce the Company's termination.

**Article ~~186221~~**

The members of the liquidation committee shall devote themselves to their duties and fulfill their obligations of liquidation according to the law.

None of the members of the liquidation committee shall take bribe or other illegal proceeds by taking advantage of his or her position, nor shall he or she misappropriate any of the assets of the Company.

Where any members of the liquidation committee cause any loss to the Company or any creditor with intention or due to gross negligence, he or she shall be liable to make indemnification.

#### CHAPTER 158 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

**Article ~~187~~222** The Company shall amend these Articles of Association in accordance with the laws, administrative regulations, the listing rules of the place where the Company's shares are listed and these Articles of Association.

**Article ~~188~~223** In any one of the following situations, the Company shall amend these Articles of Association:

- (I) after the amendment of the Company Law or relevant laws ~~or~~ administrative regulations and the listing rules of the place where the Company's shares are listed, the contents of these Articles of Association conflict with such amended laws or administrative regulations and the listing rules of the place where the Company's shares are listed;
- (II) there are changes in the Company render these Articles of Association incorrect; or
- (III) the general meeting resolves to amend these Articles of Association.

**Article ~~189~~224** If an amendment to these Articles of Association involves matters requires the approval from the competent regulatory authority, it shall be submitted to the competent regulatory authority for approval. If an amendment to these Articles of Association involves a registered item of the Company, registration of the change shall be carried out in accordance with the law.

**Article ~~225~~** ~~The board of directors shall amend these Articles of Association according to the resolutions at the general meeting and the approval and opinions of the relevant competent authorities.~~

~~Notwithstanding the provisions of the previous paragraph, in the following circumstances, the general meeting may pass a resolution to authorize the board of directors to amend these Articles of Association in accordance with the following principles:~~

- (I) ~~where as a result of the implementation of the general meeting's resolution, there is the need to make necessary non-substantive modifications (as required in accordance with the resolutions of the general meeting which involve amendments to, among others, the registered capital amount, the number of shares, and the name and address of the Company in these Articles of Association), the board of directors shall have the right to modify these Articles of Association according to specific circumstances;~~
- (II) ~~in the event that changes in the text or the order of the articles are necessary for filing these Articles of Association approved at the general meeting with the competent authority, the board of directors is entitled to amend these Articles of Association in accordance with the requirements of the competent authorities.~~

**Article 190226**

Any amendment to these Articles of Association that involves information to be disclosed as required by the law, regulations or the listing rules of the places where the Company's shares are listed, shall be publicly announced as required.

**CHAPTER 169 NOTICES****Article 191227**

Notices of the Company may be served through means as follows:

- (I) by hand;
- (II) by post;
- (III) by fax or email;
- (IV) subject to the law and regulations, and the listing rules of the stock exchange of the places where the Company's shares are listed, by publishing at the Company's website and such website as designated by the relevant stock exchange;
- (V) by public announcement;
- (VI) by such other means as agreed between the Company and the recipient in advance or accepted by the recipient after receipt of such notices; or

(VII) by such other means as approved by the relevant regulatory agency of the places where the Company's shares are listed or as set out in these Articles of Association.

Notwithstanding the provisions on the publication or notice of any document, announcement or other communications in these Articles of Association, the Company may, pursuant to the listing rules of the places where its shares are listed, adopt the mode of service as stipulated in (IV) of the first paragraph of this Article to publish its communication, in substitution for the sending of written documents by hand or post to each holder of overseas listed foreign shares. The foregoing corporate communication refers to any document sent or to be sent by the Company for its shareholders' reference or actions, including but not limited to annual report (including annual financial report), interim report (including interim financial report), report of the board of directors (including balance sheet and income statement), notice of general meeting, circular and other communication documents.

**Article 192**

Where a notice is served by way of announcement, after the publication of such announcement, all related persons shall be deemed to have received the relevant notice.

**Article ~~193~~228**

Unless otherwise provided in these Articles of Association, the modes of service set forth above may also be applicable to notices for general meetings, meetings of the board of directors or the board of supervisors.

**Article ~~194~~229**

For a notice delivered by hand, the person on whom it is served shall sign (or affix his or her seal to) the acknowledgement slip, and the date on which he or she signed in receipt shall be the date of the service. For a notice delivered by post, the date of service shall be 48 hours from the date of consignment to the post office. For a notice delivered by fax, email or publication on a website, the date on which such notice is dispatched shall be the date of service. For a notice delivered by way of a public announcement, the first day of publication shall be the date of service.



**Article 195230**

If the listing rules of the stock exchange where the Company's shares are listed require the Company to send, post, dispatch, issue, publish or otherwise provide relevant documents of the Company in both English and Chinese versions, the Company may, to the extent permitted by laws and regulations and in accordance with applicable laws and regulations, (if a shareholder has so indicated) only send him or her the English versions or Chinese versions of documents if the Company has made sufficient arrangements to ascertain whether its shareholders wish to only receive English versions or Chinese versions of documents.

**CHAPTER 20 SETTLEMENT OF DISPUTES****Article 231**

~~The Company shall abide by the following principles for settlement of disputes:~~

- ~~(1) If any dispute or claim that concerns the Company's affairs and is based on rights or obligations provided for in these Articles of Association, the Company Law and other relevant laws arises between a holder of overseas listed foreign shares and the Company, between a holder of overseas listed foreign shares and a director, a supervisor, the general manager or other senior management of the Company or between a holder of overseas listed foreign shares and a holder of domestic shares, the parties concerned shall refer the dispute or claim to arbitration.~~

~~When a dispute or claim as described above is submitted to arbitration, the dispute or claim shall be submitted in its entirety, and all persons (being the Company or shareholders, directors, supervisors, the general manager or other senior management of the Company) that have a cause of action due to the same facts or whose participation is necessary for the resolution of such dispute or claim shall abide by the arbitration.~~

~~Disputes regarding the definition of shareholders and the register of members may be resolved by means other than arbitration.~~

- (II) ~~The party seeking arbitration may elect to have the dispute or claim arbitrated either by the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or by the Hong Kong International Arbitration Centre in accordance with its arbitration rules. Once the party seeking arbitration submits a dispute or claim to arbitration, the other party must submit to the arbitral body selected by the party seeking the arbitration.~~

~~If the party seeking arbitration elects to arbitrate the dispute or claim at the Hong Kong International Arbitration Centre, then either party may apply to have such arbitration conducted in Shenzhen according to the securities arbitration rules of the Hong Kong International Arbitration Centre.~~

- (III) ~~The laws of the PRC shall govern the arbitration of disputes or claims described in item (I) above, unless otherwise provided by the law or administrative regulations.~~
- (IV) ~~The award of the arbitral body is final and shall be binding on the parties thereto.~~

#### CHAPTER 1721 SUPPLEMENTARY PROVISIONS

##### Article 196232

##### Definition

- (I) The term “controlling shareholder” in the Articles of Association shall refer to the shareholder satisfying any of the following conditions:
- (I) when acting alone or acting in concert with others, such shareholder has the power to decide the selection of more than half of members of the Company’s Board through actually controlling the voting rights of the Company’s shares;

- (II) when acting alone or acting in concert with others, such shareholder has the power to exercise or control the exercise of more than 30% (inclusive) of the Company's voting rights;
  - (III) when acting alone or acting in concert with others, such shareholder holds more than 50% (inclusive) of outstanding shares of the Company, unless there is evidence to the contrary;
  - (IV) when acting alone or acting in concert with others, such shareholder has control of adequate voting rights to exert influential power on resolutions of general meetings of the Company;
  - (V) when acting alone or acting in concert with others, such shareholder has control of or determine matters including major decisions on operation and important appointments;
  - (VI) other circumstances as considered by the securities regulatory authorities of the place of listing of the Company's shares.
- (II) In these Articles of Association, "acting in concert" means the act of two or more parties that in form of agreement (whether in oral or written form) have reached a consensus over achieving the purpose of controlling the Company or consolidating such control through taking over of the Company's voting rights by any one of them.
- (IIIH) A "de facto controller" means a person, though not a shareholder, but through investment relationship, agreement, or other arrangement, can actually control the activities of the Company;
- (IVHH) "Connected relationship" is the relationship between the controlling shareholders, de facto controllers, directors, supervisors or senior management members, and enterprises directly or indirectly controlled by them, as well as other relationships which may possibly cause the transfer of the Company's interests. However, sState-owned enterprises will not be regarded as having connected relationship simply because they are commonly controlled by the sState.

- Article 197233** In these Articles of Association, the terms “not less than”, “within”, “not more than” and “prior to” shall include the given figure, and the terms “more than half”, “under”, “beyond”, “exceeding/exceed”, “below”, “less than”, “not reaching/reach” and “more than” shall not include the given figure.
- Article 198234** The term “accounting firm” as used in these Articles of Association shall have the same meaning as “auditor”.
- Article 199235** These Articles of Association are written in Chinese. If it conflicts with a version in any other language, the Chinese version which was most recently filed and registered at the competent authority for market regulation shall prevail.
- Article 200236** Matters not covered in these Article of Association shall be dealt with in accordance with the laws, administrative regulations and the relevant regulations of the securities regulatory agencies where the Company’s shares are listed, and combining the actual situation of the Company. Where these Articles of Association are in conflict with the promulgated laws, administrative regulations, other relevant normative documents and the listing rules of the stock exchange where the Company’s shares are listed, such promulgated laws, administrative regulations, other relevant normative documents and the listing rules of the stock exchange where the Company’s shares are listed shall be complied with.
- Article 201237** The board of directors shall be responsible for the interpretation of these Articles of Association.

# NOTICE OF ANNUAL GENERAL MEETING



## Shanghai Conant Optical Co., Ltd. 上海康耐特光學科技集團股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)  
(Stock Code: 2276)

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting (the “AGM”) of Shanghai Conant Optical Co., Ltd. (the “Company”) will be held at the Conference Room, 1/F, No. 555 Chuanda Road, Pudong New Area, Shanghai, the PRC on Wednesday, 14 June 2023 at 10:00 a.m. for the following purposes:

#### ORDINARY RESOLUTIONS

1. To consider and if thought fit, approve the annual report of the Company for the year ended 31 December 2022.
2. To consider and if thought fit, approve the report of the board of directors (the “Board”) of the Company for the year ended 31 December 2022.
3. To consider and if thought fit, approve the report of the supervisory committee of the Company for the year ended 31 December 2022.
4. To consider and if thought fit, approve the consolidated financial statements of the Company and its subsidiaries and the report of the auditor of the Company for the year ended 31 December 2022.
5. To consider and if thought fit, approve the re-appointment of Ernst & Young as the auditor of the Company until the conclusion of the next annual general meeting of the Company and to authorise the Board to fix their remuneration.
6. To consider and if thought fit, approve the payment of a final dividend for the year ended 31 December 2022 (“Final Dividend”) of RMB0.15 per share (tax inclusive).
7. To consider and if thought fit, approve the resolution in relation to the remuneration proposal of Ms. Zhao Xiaoyun, a non-executive director of the Company.

## NOTICE OF ANNUAL GENERAL MEETING

### SPECIAL RESOLUTIONS

8. To consider and if thought fit, approve the proposal to grant the general mandate to issue shares to the Board:
  - (1) there being granted to the Board general mandate to issue, allot and deal with additional Shares, with the aggregate number of the Shares to be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Board not exceeding 20% of the issued share capital of the Company as at the date of the passing of this resolution;
  - (2) the Board be authorised to (including but not limited to the following):
    - (i) increase the registered capital of the Company in accordance with the issue of the Shares aforesaid, and attend to the relevant registration procedures with the relevant authorities in the People's Republic of China (the "PRC") and Hong Kong;
    - (ii) make appropriate amendments to the relevant provisions in articles of association of the Company (the "**Articles of Association**") in relation to the registered capital of the Company and any other articles that require corresponding amendments so as to reflect the change in the registered capital and shareholding structure of the Company as a result of the allotment or issue of new shares and to submit the relevant amendments to the Articles of Association to the relevant authorities of the PRC and Hong Kong for approval and record (as the case may be);
    - (iii) approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the issue of such new shares; and
    - (iv) the Board will only exercise its power under the above mandates in accordance with the Company Law of the PRC, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as may be amended from time to time) and other relevant laws and regulations of Hong Kong and the PRC, and only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant PRC government authorities are obtained.

## NOTICE OF ANNUAL GENERAL MEETING

(3) Authorisation period

The period of above general mandate shall not exceed the relevant period (the “**Relevant Period**”). The Relevant Period commences from the date of the passing of this authorisation proposal as the special resolution at the AGM ends at the earliest of:

- (i) the conclusion of the next annual general meeting;
- (ii) the date of expiration of 12 months from the date of the passing of the relevant resolution at the AGM; or
- (iii) the date on which the authority is revoked or varied by a special resolution of shareholders at a general meeting.

- 9. To consider and if thought fit, approve the amendments to the Articles of Association as set out in Appendix I to the circular of the Company dated 24 May 2023.
- 10. To consider and if thought fit, approve the amendments to the Articles of Association as set out in Appendix II to the circular of the Company dated 24 May 2023.

By Order of the Board  
**Shanghai Conant Optical Co., Ltd.**  
上海康耐特光學科技集團股份有限公司  
**Fei Zhengxiang**  
*Executive Director and Chairman of the Board*

Hong Kong, 24 May 2023

*Notes:*

- (i) A shareholder entitled to attend and vote at the above meeting is entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it. A proxy needs not be a shareholder of the Company. With respect to any shareholder who has appointed more than one proxy, such proxies may only exercise their voting rights in a poll.
- (ii) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.
- (iii) If you intend to attend the AGM by proxy, you are requested to complete the enclosed form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority, and return them to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof in order for such documents to be valid. Completion and return of the form of proxy will not preclude shareholders from attending and voting at the meeting or any adjournment thereof if they so wish and, in such event, the form of proxy shall be deemed to be revoked.

## NOTICE OF ANNUAL GENERAL MEETING

- (iv) For the purpose of determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 8 June 2023 to Wednesday, 14 June 2023 (both days inclusive), during which period no transfer of Shares can be registered. All transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 7 June 2023.
- (v) For the purpose of determining the entitlement of the shareholders to receive Final Dividend, the register of members of the Company will also be closed from Tuesday, 20 June 2023 to Tuesday, 27 June 2023 (both days inclusive), during which period no share transfers can be registered. All transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 19 June 2023.
- (vi) A shareholder or his/her proxy should produce proof of identity when attending the AGM. Where a shareholder is a legal person, the legal representative of that shareholder or the person authorized by its board of directors or other governing body shall produce a copy of the authorization documents of the board of directors or other governing body of such shareholder appointing such person to attend the meeting.
- (vii) Shareholders who attend the AGM shall bear their own travelling and accommodation expenses.
- (viii) Shareholders who wish to attend the AGM and exercise their voting rights can be achieved in one of the following ways:
  - (1) attend the AGM in person and vote at the AGM venue; or
  - (2) appoint chairman of the AGM or other persons as your proxy to vote on your behalf. Your proxy's authority and instruction will be revoked if you attend and vote in person at the AGM.
- (ix) In respect of the special resolutions numbered 9 and 10 above, since the Company is incorporated in the PRC, the Articles of Association are prepared in Chinese with no official English version. The proposed amendments to the Articles of Association in the Chinese language are set out in the Chinese language version of the circular of the Company dated 24 May 2023. Any English translation is for reference only. In the event of any inconsistency, the Chinese version shall prevail.
- (x) References to time and dates in this notice are to Hong Kong time and dates.

*As at the date of this notice, the Board comprises Mr. Fei Zhengxiang, Mr. Zheng Yuhong, Mr. Xia Guoping and Mr. Chen Junhua as executive Directors; Dr. Takamatsu Ken and Ms. Zhao Xiaoyun as non-executive Directors; and Dr. Xiao Fei, Mr. Chen Yi and Mr. Jin Yiting as independent non-executive Directors.*