

**CALB Group Co., Ltd.**

**ARTICLES OF ASSOCIATION**

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## CHAPTER 1 GENERAL PROVISIONS

**Article 1** To safeguard the legitimate rights and interests of CALB Group Co., Ltd. (the “**Company**”), the Shareholders and Creditors of the Company, and to regulate the organization and activities of the Company, these Articles of Association of CALB Group Co., Ltd. (the “**Articles of Association**”) have been hereby established 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 Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), the Guidelines for the Articles of Association of Listed Companies and other relevant laws, administrative regulations, departmental rules and normative documents.

**Article 2** The Company is a joint stock company with limited liability established by converting from 中航鋰電科技有限公司 based on the audited book net assets into shares as a whole in accordance with the Company Law and other relevant regulations. The Company was registered with and obtained a business license in accordance with the laws from Changzhou Municipal Administration for Market Regulation. The unified social credit code of the Company is 91320413MA1MCGA52K.

**Article 3** Registered name of the Company:

Chinese name: 中創新航科技集團股份有限公司

English name: CALB Group Co., Ltd.

**Article 4** Company address: No. 1, Jiangdong Avenue, Jintan District, Changzhou City.

**Article 5** The registered capital of the Company is RMB1,772,301,858.

**Article 6** The Company is a perpetual joint stock company with limited liability.

**Article 7** The Chairman of the board of directors of the Company is the Legal Representative of the Company.

**Article 8** The entire capital of the Company is divided into equal shares, the Shareholders are responsible for the Company to the extent of the Shares they subscribe for, and the Company is responsible for the Company’s debts with all its assets.

**Article 9** From the date when these Articles of Association take effect, these Articles of Association constitute a legally binding document regulating the Company’s organization and activities, and the rights and obligations between the Company and each Shareholder and among the Shareholders *inter se*. These Articles of Association are binding on the Company and its Shareholders, Directors, Supervisors and senior management. Pursuant to these Articles of Association, a Shareholder may take legal actions against another Shareholder; a Shareholder may take legal action against any Director, Supervisor and senior management of the Company; a Shareholder may take legal actions against the Company; and the Company may take legal actions against any Shareholder, Director, Supervisor and senior management.

The legal action referred to in the preceding paragraph includes legal proceedings filed with courts or applications made to arbitral bodies.

Disputes between the Company, any Shareholder, Director, Supervisor, and senior management involving the provisions of these Articles of Association shall be resolved through negotiation first; and then through litigation if the negotiation fails.

**Article 10** The term senior management as mentioned in these Articles of Association refers to the president, vice president, secretary of the Board of Directors, and person in charge of finance of the Company.

**Article 11** The Company may invest in other company with limited liability or joint stock company with limited liability, and be liable for any invested company to the extent of the capital contribution or shares subscribed for.

**Article 12** Following the trends of the market economy and the trends of enterprise development, the Company shall implement commercial operation and self-management in accordance with the requirements of marketization.

**Article 13** The Company shall implement a differentiated and market-oriented remuneration system that is in line with the Company's industry status and market competitiveness, and shall establish a medium-to-long term incentive mechanism including equity incentives.

**Article 14** In accordance with the regulations of the Constitution of the Communist Party of China, the Company shall establish an organization and conduct activities of the Communist Party of China. The Company shall provide requisite conditions to the activities of the party committee.

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

**Article 15** Business objectives of the Company: with sincerity, efficiency, and win-win as the core values, and the mission of transcending business and benefiting mankind, to make the Company a leading enterprise in the new energy field that is respected by the society and loved by employees.

**Article 16** With legal registration, business scope of the Company: research and development, production, sales and market application development of lithium-ion power batteries, battery management systems (BMS), energy storage batteries and related integrated products and lithium battery materials; sales of new energy vehicles and spare parts; vehicle rental services; sales, installation and maintenance of charging piles and charging equipment; construction and operation of new energy vehicle charging and swapping facilities; research and development of lithium-ion battery recycling technology; development of battery recycling, sales and market application technology; research and development of battery energy storage technology as well as design, manufacture, construction, sales and leasing of energy storage power stations; road general cargo transportation; self-operated and agency import and export business of various commodities and technologies.

The business scope referred to in the preceding paragraph is subject to the approval by the authority that the Company is registered with.

## CHAPTER 3 SHARES

### Section I Shares Issuance

**Article 17** The Company's shares shall be in the form of share certificates. All shares issued by the Company are denominated in RMB, with a par value of RMB1 per share.

RMB referred to in the preceding paragraph refers to the legal currency of the PRC.

**Article 18** The Company shall issue shares in an open, fair and just manner, and each share of the same class shall have the same right.

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

Domestic shares and overseas listed foreign shares issued by the Company shall have the same right in any distribution of dividend or other forms of distributions. The Company shall not exercise any right to freeze or otherwise damage the rights attached to any shares directly or indirectly held by any person only on the ground that the said person has not disclosed his/her equity to the Company.

**Article 19** The Company may offer its shares to both domestic and foreign investors with the registration or file with China Securities Regulatory Commission (the "CSRC").

"Foreign investors" as referred to in the preceding paragraph shall mean the investors in foreign countries and Hong Kong, Macau or Taiwan Region who subscribe for shares of the Company. "Domestic investors" shall mean the investors in the PRC, excluding the aforementioned regions, who subscribe for shares of the Company.

**Article 20** The shares issued by the Company shall be denominated in RMB. Shares that the Company issues to domestic investors for subscription in RMB shall be known as domestic shares. Shares that the Company issues to foreign investors for subscription in foreign currencies shall be known as foreign shares. Foreign shares that are listed overseas shall be known as overseas listed foreign shares.

"Foreign currency" aforementioned refers to the legal currency, other than RMB, of another country or region, which is recognised by the foreign exchange authority of the state and can be used to pay the Company for the shares.

Shares issued by the Company and listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") are called "H Shares" hereinafter.

Both holders of domestic shares and holders of foreign shares are ordinary Shareholders and shall have the same rights and obligations.

Under the circumstances that permitted by relevant laws, administrative regulations and departmental rules, the domestic Shareholders of the Company, after filed with the CSRC, may transfer the shares of the Company held by them to foreign investors, and such shares can be listed and traded overseas. The listing and trading of such transferred shares on overseas stock exchange shall also comply with the regulatory procedures, rules, and requirements of the overseas securities market.

**Article 21** The domestic shares issued by the Company are in the centralized custody of China Securities Depository and Clearing Corporation Limited. H Shares issued by the Company in Hong Kong are deposited with securities clearing companies in Hong Kong and such shares may also be held in the individual name of Shareholders.

**Article 22** The Company was incorporated by means of sponsorship, and changed from a company with limited liability into a joint stock company with limited liability. On November 10, 2021 when the Company was established, the number of shares subscribed by the promoters, the proportion and the method of capital contribution were as follows:

| No. | Names of the promoters   | Number of shares subscribed (10,000 shares) | Shareholding proportion | Method of capital contribution          |
|-----|--|---|-------------------------|---|
| 1.  | Changzhou Jinsha Technology Investment Co., Ltd.* (常州金沙科技投資有限公司)   | 25,213.0281                                 | 21.01%                  | Share capital converted from net assets |
| 2.  | Sichuan Chengfei Integration Technology Co., Ltd* (四川成飛集成科技股份有限公司)   | 15,114.5867                                 | 12.60%                  | Share capital converted from net assets |
| 3.  | Xiamen Lihang Jinzhi Equity Investment Partnership (Limited Partnership)* (廈門鋰航金智股權投資合夥企業(有限合夥))                                     | 14,186.6141                                 | 11.82%                  | Share capital converted from net assets |
| 4.  | Changzhou Huake Engineering Construction Co., Ltd.* (常州華科工程建設有限公司)   | 9,865.8313                                  | 8.22%                   | Share capital converted from net assets |
| 5.  | Changzhou Huake Technology Investment Co., Ltd.* (常州華科科技投資有限公司)  | 7,778.5163                                  | 6.48%                   | Share capital converted from net assets |
| 6.  | Guangdong Guangqi Ruidian Equity Investment Partnership (Limited Partnership)* (廣東廣祺瑞電股權投資合夥企業(有限合夥))                                | 6,391.2844                                  | 5.33%                   | Share capital converted from net assets |
| 7.  | China Insurance Investment (Shenzhen) Advanced Manufacturing Investment Partnership (Limited Partnership)* (中保投(深圳)先進製造投資合夥企業(有限合夥)) | 5,204.3316                                  | 4.34%                   | Share capital converted from net assets |
| 8.  | Xiamen Jinyuan Investment Group Co., Ltd.* (廈門金圓投資集團有限公司)  | 3,758.0435                                  | 3.13%                   | Share capital converted from net assets |

| No. | Names of the promoters  | Number of shares subscribed (10,000 shares) | Shareholding proportion | Method of capital contribution          |
|-----|---|---|-------------------------|---|
| 9.  | Xiamen Jinyuan Industry Development Company Limited* (廈門金圓產業發展有限公司)   | 3,758.0435                                  | 3.13%                   | Share capital converted from net assets |
| 10. | Hongshan Kaichen (Xiamen) Equity Investment Partnership (Limited Partnership)* (紅杉凱辰(廈門)股權投資合夥企業(有限合夥))   | 3,652.1625                                  | 3.04%                   | Share capital converted from net assets |
| 11. | Wuxi Guolian Tongjin Equity Investment Partnership (Limited Partnership)* (無錫國聯通錦股權投資合夥企業(有限合夥))  | 3,524.3368                                  | 2.94%                   | Share capital converted from net assets |
| 12. | Jiaxing Chenyi Pengqi Equity Investment Partnership (Limited Partnership)* (嘉興晨壹鵬騏股權投資合夥企業(有限合夥))   | 3,140.8598                                  | 2.62%                   | Share capital converted from net assets |
| 13. | China Insurance Investment No. 1 (Shenzhen) New Energy Automobile Industry Investment Partnership (Limited Partnership)* (中保投壹號(深圳)新能源汽車產業投資合夥企業(有限合夥)) | 2,830.4260                                  | 2.36%                   | Share capital converted from net assets |
| 14. | Hubei Xiaomi Changjiang Industry Fund Partnership (Limited Partnership)* (湖北小米長江產業基金合夥企業(有限合夥))   | 2,739.1219                                  | 2.28%                   | Share capital converted from net assets |
| 15. | Chuanghe Xincai (Xiamen) Manufacturing Transform and Upgrade Fund Partnership* (創合鑫材(廈門)製造業轉型升級基金合夥企業(有限合夥))  | 1,879.0217                                  | 1.57%                   | Share capital converted from net assets |
| 16. | Shenzhen City Linghui Cornerstone Equity Investment Fund Partnership (Limited Partnership)* (深圳市領匯基石股權投資基金合夥企業(有限合夥))                                   | 1,643.4731                                  | 1.37%                   | Share capital converted from net assets |
| 17. | Ma'anshan Cornerstone Intelligent Manufacturing Industry Fund Partnership (Limited Partnership)* (馬鞍山基石智能製造產業基金合夥企業(有限合夥))                              | 1,333.0393                                  | 1.11%                   | Share capital converted from net assets |
| 18. | Xiamen Jinli Equity Investment Partnership (Limited Partnership)* (廈門金鯉股權投資合夥企業(有限合夥))  | 1,278.2569                                  | 1.07%                   | Share capital converted from net assets |
| 19. | Wuxi Guolian Tongwu Equity Investment Partnership (Limited Partnership)* (無錫國聯通鋳股權投資合夥企業(有限合夥))   | 1,068.2575                                  | 0.89%                   | Share capital converted from net assets |

| No. | Names of the promoters   | Number of shares subscribed (10,000 shares) | Shareholding proportion | Method of capital contribution          |
|-----|--|---|-------------------------|---|
| 20. | Wuxi Guolian Tongkun Equity Investment Partnership (Limited Partnership)*<br>(無錫國聯通錕股權投資合夥企業(有限合夥))  | 1,031.7359                                  | 0.86%                   | Share capital converted from net assets |
| 21. | China Insurance Investment No. 2 (Shenzhen) New Energy Automobile Industry Investment Partnership (Limited Partnership)*<br>(中保投貳號(深圳)新能源汽車產業投資合夥企業(有限合夥)) | 913.0406                                    | 0.76%                   | Share capital converted from net assets |
| 22. | China Insurance Investment (Shenzhen) Strategic Emerging Industry Investment Partnership (Limited Partnership)*<br>(中保投(深圳)戰略新興產業投資合夥企業(有限合夥))             | 913.0406                                    | 0.76%                   | Share capital converted from net assets |
| 23. | Xiamen Lihang Kaibo No. 1 Equity Investment Partnership (Limited Partnership)*<br>(廈門鋰航凱博壹號股權投資合夥企業(有限合夥))   | 574.3026                                    | 0.48%                   | Share capital converted from net assets |
| 24. | Ma'anshan Shengtuo Equity Investment Partnership (Limited Partnership)*<br>(馬鞍山盛拓股權投資合夥企業(有限合夥))   | 365.2163                                    | 0.30%                   | Share capital converted from net assets |
| 25. | Shenzhen Getian Star Management Partnership (Limited Partnership)*<br>(深圳市格天思達管理合夥企業(有限合夥))  | 310.4338                                    | 0.26%                   | Share capital converted from net assets |
| 26. | Changzhou Lihang Kaibo No. 5 Equity Investment Partnership (Limited Partnership)*<br>(常州鋰航凱博伍號實業投資合夥企業(有限合夥))  | 241.9558                                    | 0.20%                   | Share capital converted from net assets |
| 27. | Changzhou Lihang Kaibo No. 8 Equity Investment Partnership (Limited Partnership)*<br>(常州鋰航凱博捌號實業投資合夥企業(有限合夥))  | 200.8689                                    | 0.17%                   | Share capital converted from net assets |
| 28. | Guangzhou Huaxian Automobile Co., Ltd.*<br>(廣州華現汽車有限公司)  | 182.6081                                    | 0.15%                   | Share capital converted from net assets |
| 29. | Changzhou Lihang Kaibo No. 1 Equity Investment Partnership (Limited Partnership)*<br>(常州鋰航凱博壹號實業投資合夥企業(有限合夥))  | 167.0864                                    | 0.14%                   | Share capital converted from net assets |
| 30. | Changzhou Lihang Kaibo No. 6 Equity Investment Partnership (Limited Partnership)*<br>(常州鋰航凱博陸號實業投資合夥企業(有限合夥))  | 161.6082                                    | 0.13%                   | Share capital converted from net assets |



| No. | Names of the promoters   | Number of shares subscribed (10,000 shares) | Shareholding proportion | Method of capital contribution          |
|-----|--|---|-------------------------|---|
| 31. | Changzhou Lihang Kaibo No. 2 Equity Investment Partnership (Limited Partnership)*<br>(常州鋰航凱博貳號實業投資合夥企業(有限合夥))  | 128.7387                                    | 0.11%                   | Share capital converted from net assets |
| 32. | Changzhou Lihang Kaibo No. 4 Equity Investment Partnership (Limited Partnership)*<br>(常州鋰航凱博肆號實業投資合夥企業(有限合夥))  | 126.9126                                    | 0.11%                   | Share capital converted from net assets |
| 33. | Changzhou Lihang Kaibo No. 3 Equity Investment Partnership (Limited Partnership)*<br>(常州鋰航凱博叁號實業投資合夥企業(有限合夥))  | 104.9997                                    | 0.09%                   | Share capital converted from net assets |
| 34. | Changzhou Lihang Kaibo No. 9 Equity Investment Partnership (Limited Partnership)*<br>(常州鋰航凱博玖號實業投資合夥企業(有限合夥))  | 86.7389                                     | 0.07%                   | Share capital converted from net assets |
| 35. | Changzhou Lihang Kaibo No. 10 Equity Investment Partnership (Limited Partnership)*<br>(常州鋰航凱博拾號實業投資合夥企業(有限合夥)) | 71.2172                                     | 0.06%                   | Share capital converted from net assets |
| 36. | Changzhou Lihang Kaibo No. 7 Equity Investment Partnership (Limited Partnership)*<br>(常州鋰航凱博柒號實業投資合夥企業(有限合夥))  | 60.2607                                     | 0.05%                   | Share capital converted from net assets |
|     | Total  | 120,000                                     | 100.00%                 | -                                       |

**Article 23** With the approval of the securities regulatory authority under the State Council, the Company currently has issued overseas listed foreign shares not more than 303,063,500 shares. The par value of each share is RMB1. All Shares are ordinary shares. The share capital structure of the Company is as follows: 1,772,301,858 ordinary shares, including 1,506,456,558 domestic shares, and 265,845,300 H shares, which accounting for 15% of the total share capital.

**Article 24** The Company or its subsidiaries (including affiliates of the Company) shall not provide any kind of assistance to a person who is acquiring or is proposing to acquire shares of the Company by gifts, advance, guarantee, compensation or loan and other means.

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

**Article 25** The Company may, based on its business and development needs and in accordance with laws and regulations, increase its registered capital in the following manners upon respective resolutions being passed at Shareholders' general meetings:

- (I) by public offering of shares;
- (II) by non-public offering of shares;
- (III) by allotting bonus shares to its existing Shareholders;
- (IV) by capitalizing its capital common reserve;
- (V) by any other means which is permitted by laws and administrative regulations and the CSRC.

**Article 26** The Company may reduce its registered capital in accordance with the procedures provided in the Company Law and other relevant requirements and these Articles of Association.

**Article 27** The Company may not repurchase the shares of the Company, except in any of the following situations:

- (I) its registered capital is reduced;
- (II) merging with another company that holds shares of the Company;
- (III) the shares are used for the employee share scheme or equity incentives;
- (IV) when requested by any Shareholder to purchase his shares because this Shareholder objects to any resolution of merger or division made by the Company at general meetings;
- (V) the shares are used for conversion of convertible corporate bonds issued by the listed company;
- (VI) any necessary action is taken to protect the value of the listed company and Shareholders' interests;

The Company may repurchase its shares through public and centralised trading or other methods as permitted by laws, administrative regulations and the CSRC.

If the Company repurchases its own shares under the circumstances set out in items (1) and (2) of the preceding paragraph, resolutions related thereto shall be adopted at a Shareholders' general meeting. If the Company repurchases its own shares under the circumstances set out in items (3), (5) and (6) of the preceding paragraph, resolutions related thereto shall be adopted at the meeting of Board of Directors with more than two-thirds of the Directors attending in accordance with the Articles of Association or as authorized in the Shareholders' general meeting.

If the Company repurchases its own shares in accordance with paragraph one under the circumstances set forth in item (1), the shares so repurchased shall be cancelled within 10 days of the repurchase and shall proceed to registration of the change in the registered capital with the competent Administration for Industry and Commerce; in the event of the circumstances set forth in items (2) and (4), the shares so repurchased shall be transferred or cancelled within 6 months; in the event of the circumstances set forth in items (3), (5) and (6), the repurchase shall be carried out through open and centralised transactions, the aggregate number of shares of the Company held by itself shall not exceed 10% of its total shares in issue, and the shares so repurchased shall be transferred or cancelled within three years.

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

### **Section III Transfer of Shares**

**Article 28** The shares of the Company may be transferred according to law.

**Article 29** The Company does not accept the share certificate of the Company as the subject of the pledge.

**Article 30** Shares of the Company held by promoters shall not be transferred within 1 year from the date of establishment of the Company. Shares previously issued by the Company prior to the public offering shall not be transferred within 1 year from the date on which the shares of the Company are listed and traded on a stock exchange.

The Directors, Supervisors and senior management members of the Company shall report to the Company their shareholdings in the Company and changes thereof and shall not transfer more than 25% of the total number of the shares of the Company held by them per annum during their terms of office; the shares held by them shall not be transferred within 1 year from the date on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer their shares in the Company within half a year after they terminate service with the Company.

**Article 31** If the Shareholders holding over 5% of the Company's shares, Directors, Supervisors and senior management members sell their shares or other securities with the nature of stock right held by them within 6 months after they purchase the shares or repurchase the shares within 6 months after selling out, the profits earned hereof shall belong to the Company and the Board of Directors of the Company shall reclaim the profits. However, securities companies holding over 5% of the shares of the Company due to stand-by underwriting and other circumstances stipulated by the CSRC are excluded.

The shares or other securities with an equity nature held by Directors, Supervisors, senior management members and natural person Shareholders referred to in the preceding paragraph include the shares or other securities with an equity nature held by their spouses, parents, children, and those held with the accounts of the others.

If the Board of Directors of the Company does not comply with the provision of the first paragraph of this Article, the Shareholders shall have the right to request the Board of Directors to take an action within 30 days. If the Board of Directors of the Company fails to do so within the aforesaid time limit, the Shareholders are entitled to, in their own names, directly appeal to the People's Court for the benefit of the Company.

If the Board of Directors of the Company fails to perform the duty as prescribed in the first paragraph under this Article, the responsible Directors shall assume joint and several liability in accordance with the laws.

**Article 32** The share certificates of the Company shall be in registered form. Where the shares issued by the Company are in registered form, such shares shall set forth the matters required by the stock exchange where the shares are listed, and the Company shall keep a register of members according to the certificates provided by the securities registration authority.

## **CHAPTER 4 SHAREHOLDERS AND GENERAL MEETING**

### **Section I Shareholders**

**Article 33** The Company shall keep a register of members according to the certificates provided by the securities registration authority, and the register members shall be the sufficient evidence of the Shareholders' shareholding in the Company. A Shareholder of the Company shall enjoy the relevant rights and assume the relevant obligations in accordance with the class and number of shares he holds. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

**Article 34** If the Company convenes a Shareholders' general meeting, distributes dividends, liquidates or carries out other activities which would require to determine the identification of Shareholder, the Board of Directors or the convener of the Shareholders' general meeting shall determine a record date for the determination of shareholdings. Shareholders whose names appear on the register at closing on the record date shall be the Shareholders entitled to the relevant rights and interests.

**Article 35** The Shareholders of the Company shall enjoy the following rights:

- (I) the right to receive dividends and other distributions in proportion to their shareholdings;
- (II) the right to request, convene, chair, attend or appoint a proxy to attend general meetings and to exercise corresponding voting rights in accordance with laws;
- (III) the right to supervise the Company's operations, to present proposals or to raise enquiries;
- (IV) the right to transfer, bestow or pledge the shares held by them in accordance with laws, administrative regulations and the Articles of Association;

- (V) the right to inspect the Articles of Association, register of Shareholders, stubs of corporate bonds, minutes of Shareholders' general meetings, resolutions of the meetings of the Board of Directors, resolutions of the meetings of the Supervisory Committee, and financial and accounting reports;
- (VI) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the shareholdings;
- (VII) with respect to Shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company, the right to demand the Company to buy back their shares;
- (VIII) other rights conferred stipulated by the laws, administrative regulations, departmental rules or and the Articles of Association.

The Hong Kong branch register of members must be available for inspection by Shareholders; however, the Company is allowed to close the register of members on terms equivalent to section 632 of the Hong Kong Companies Ordinance.

**Article 36** When a Shareholder requests to inspect the relevant information mentioned in the preceding Article or obtain such materials, he shall provide the Company with such written documents evidencing the class and amount of his shareholding in the Company. The Company may provide such information per the Shareholder's request after verifying his identity. Shareholders shall keep the confidentiality of the information and materials to be inspected.

**Article 37** If a resolution passed at the Shareholders' general meeting or meeting of the Board of the Company violates the laws or administrative regulations, the Shareholders shall have the rights to submit a petition to the people's court to render the same invalid.

If the procedures for convening, or the method of voting at, a Shareholders' general meeting or meeting of the Board violate the laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, Shareholders shall have the rights to submit a petition to the people's court to revoke such resolution within sixty (60) days from the date on which such resolution is adopted.

**Article 38** If a Director or any other senior management officer has violated the laws, administrative regulations or the Articles of Association in the course of performing his duties to the Company, and thereby caused the Company to incur loss, Shareholders individually or jointly holding 1% or more of the Company's shares for more than 180 consecutive days may request in writing the Supervisory Committee to initiate proceedings in the people's court in respect thereof. If the Supervisory Committee has violated the laws, administrative regulations or the Articles of Association in the course of performing its duties to the Company, and thereby caused the Company to incur a loss, Shareholders may request in writing the Board of Directors to initiate proceedings in the people's court in respect thereof.

If the Supervisory Committee or the Board of Directors refuses to initiate proceedings after receipt of a written request from the Shareholders as mentioned in the preceding paragraph, or fails to initiate proceedings within 30 days of the date of receipt of the request, or under urgent circumstances where failure to promptly initiate proceedings would cause irreparable harm to the Company's interests, the Shareholders mentioned in the preceding paragraph are entitled to directly initiate proceedings in the people's court in their own name in the interests of the Company.

If any third party infringes the lawful rights of the Company and has caused a loss to the Company, the Shareholders mentioned in the first paragraph of this Article may initiate proceedings in the people's court according to the provisions of the two preceding paragraphs.

**Article 39** If a Director and any other senior management officer violates laws, administrative regulations or the Articles of Association and prejudices the interests of the Shareholders of the Company, the Shareholders may initiate proceedings in the people's court in respect thereof.

**Article 40** The Shareholders of ordinary shares of the Company shall assume the following obligations:

- (I) to comply with the laws, administrative regulations and Articles of Association;
- (II) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (III) not to surrender the shares, except under the circumstances as stipulated in laws and regulations;
- (IV) not to abuse their Shareholders' rights to harm the Company's or other Shareholders' interests; not to abuse the status of the Company as an independent legal person or the limited liability of Shareholders to harm the interests of the Company's creditors. If any Shareholder abuses the Shareholders' rights and causes losses to the Company or other Shareholders, such Shareholder shall be held liable for damages in accordance with laws. If any Shareholder abuses the status of the Company as an independent legal person or his limited liability as a Shareholder to evade debts and thereby seriously harms the interests of the Company's creditors, such Shareholder shall bear joint and several liability for the debts of the Company;
- (V) other obligations imposed by laws, administrative regulations and the Articles of Association.

If any Shareholder abuses the Shareholders' rights and causes losses to the Company or other Shareholders, such Shareholder shall be held liable for damages in accordance with laws. If any Shareholder abuses the status of the Company as an independent legal person or his limited liability as a Shareholder to evade debts and thereby seriously harms the interests of the Company's creditors, such Shareholder shall bear joint and several liability for the debts of the Company.

**Article 41** Where a Shareholder who holds 5% or more of the voting shares of the Company pledges the shares he holds, such Shareholder shall report in writing to the Company on the date on which the pledge happens.

**Article 42** The controlling Shareholder and the de facto controller of the Company shall not take advantage of their related (connected) relationship to harm the interests of the Company, and shall be held liable for damages if they cause any loss to the Company in violation of the preceding provisions.

The controlling Shareholder(s) and the de facto controller(s) of the Company shall have an obligation of good faith towards the Company and public shareholders. The controlling Shareholder(s) shall exercise the rights of an investor in strict compliance with the law. They may not prejudice the legitimate rights and interests of the Company and public Shareholders by means of distribution of profits, restructuring of assets, external investment, appropriation of funds, loan guarantees and other means, and they may not prejudice the interests of the Company and public Shareholders by taking advantage of their controlling position.

## **Section II General Rules for General Meetings**

**Article 43** The Shareholders' general meeting of the Company is the organ of authority of the Company, which shall exercise the following functions and powers according to laws:

- (I) to decide the business operation guidelines and investment plans for the Company;
- (II) to elect and change Directors and Supervisors who are not employees' representatives, and decide on the remunerations of Directors and Supervisors;
- (III) to consider and approve reports of the Board of Directors and the Supervisory Committee;
- (IV) to consider and approve the annual financial budgets and final accounting proposals of the Company;
- (V) to consider and approve the Company's profit distribution plans and loss recovery plans;
- (VI) to resolve on the increase or reduction of the registered capital of the Company;
- (VII) to resolve on the issuance of bonds of the Company;
- (VIII) to resolve on matters such as the merger, division, dissolution, liquidation or change in the form of the Company;
- (IX) to amend the Articles of Association;
- (X) to determine the appointment, dismissal or non-reappointment of accounting firms;
- (XI) to consider and approve the guarantee issues as prescribed in the Articles of Association;
- (XII) to consider proposals raised by Shareholders who represent 3% or more of the total number of voting shares of the Company;
- (XIII) to consider and approve matters relating to changes in the use of proceeds;



(XIV) to consider share incentive schemes and employee share schemes;

(XV) to consider other matters shall be resolved by the Shareholders' general meeting pursuant to laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The abovementioned functions and powers of the Shareholders' general meeting may not be exercised by the Board of Directors or other bodies and individuals on its behalf by delegation.

**Article 44** The guarantee offered by the Company to a Shareholder or de facto controller of the Company shall be resolved by the Shareholders' general meeting.

When the Shareholders' general meeting is considering a proposal to provide guarantee for any Shareholder, de facto controller and its related (connected) parties, such Shareholder or the Shareholder controlled by the de facto controller and its related (connected) persons (and relevant persons specified under the listing rules of the place where the shares are listed) shall abstain from voting on the proposal, and the proposal shall be subject to approval by more than half of the voting rights of the other Shareholders attending the Shareholders' general meeting.

If any Director, president or other senior management officer violates the approval authority and review procedures on external guarantees specified in the laws, administrative regulations or the Articles of Association, the aforesaid person shall be liable for compensating the Company for any loss incurred thereto, and the Company may pursue action against the said person pursuant to law.

**Article 45** Save that the Company is under exceptional circumstances such as crisis, the Company shall not enter into contracts with a party (other than a Director, Supervisor, president and other senior management officer) in relation to handover of the administration of all business or the important business of the Company to that party without prior approval of the Shareholders' general meeting by special resolution.

**Article 46** Shareholders' general meetings comprises annual general meetings and extraordinary general meetings. The annual general meeting shall be held once every year and within six months after the end of the previous financial year. The Company shall convene an extraordinary general meeting within two months upon occurrence of the following events:

- (I) when the number of Directors is less than the statutory minimum number required under the Company Law or two thirds of the number as specified in these Articles of Association;
- (II) the unrecovered losses of the Company amount to one third of the total amount of its paid-up share capital;
- (III) when any Shareholder severally or jointly holding 10% or more of the total voting shares of the Company requests in writing;
- (IV) the Board of Directors considers it necessary;



(V) the Supervisory Committee proposes to convene such meeting;

(VI) any other circumstances stipulated in the laws, administrative regulations, departmental rules or the Articles of Association.

**Article 47** The venue of a Shareholders' general meeting of the Company shall be: the domicile of the Company or other location specified in the notice of the Shareholders' general meeting.

A venue shall be set for the Shareholders' general meeting which shall be convened onsite. The Company may facilitate Shareholders in the Shareholders' general meeting by providing online or other means. Any Shareholders who participate in the meeting in the aforesaid manner shall be deemed as present.

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

**Article 48** Independent Directors shall be entitled to propose to the Board of Directors to convene an extraordinary general meeting. The independent Director(s) proposing to convene an extraordinary general meeting, shall put forward a proposal to the Board of Directors in writing. In respect of the proposal of convening an extraordinary general meeting made by independent Director(s), the Board of Directors shall, according to law, administrative regulations and the Articles of Association, give a written reply on whether or not it agrees to convene an extraordinary general meeting within 10 days after receiving the proposal. Where the Board of Directors agrees to convene an extraordinary general meeting, it should issue the notice of extraordinary general meeting within 5 days after the resolution has been made by the Board of Directors. Where the Board of Directors refuses to convene an extraordinary general meeting, it should explain the reason and make an announcement thereof.

**Article 49** The Supervisory Committee is entitled to propose to the Board of Directors to convene an extraordinary general meeting, provided that the proposal shall be made to the Board of Directors in writing. The Board of Directors shall, pursuant to laws, administrative regulations and the Articles of Association, give a written reply on whether or not it agrees to convene an extraordinary general meeting within 10 days after receiving the proposal.

Where the Board of Directors agrees to convene an extraordinary general meeting, it should issue the notice of Shareholders' general meeting within 5 days after the resolution has been made by the Board of Directors. Where the original proposal needs to be varied in the notice, the approval of the Supervisory Committee is required.

Where the Board of Directors refuses to convene an extraordinary general meeting, or did not give any reply within 10 days after receiving the proposal, the Board of Directors is deemed to be unable or to have failed to fulfill its responsibility to convene Shareholders' general meetings, the Supervisory Committee is entitled to convene and preside over the Shareholders' general meeting on its own.

**Article 50** The Shareholder(s) who individually or jointly hold 10% or more of the shares of the Company shall have the right to request the Board to convene an extraordinary general meeting and the request shall be submitted to the Board in written form. The Board shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, give written feedback on approving or disapproving the convening of the extraordinary general meeting within 10 days after receiving the request.

If the Board agrees to convene the extraordinary general meeting, it shall issue a notice of the general meeting within 5 days after the resolution of the Board on the convening of the general meeting is made, and any change of the original request in the notice shall be subject to the consent of relevant Shareholder(s).

If the Board disagrees to hold the extraordinary general meeting, or fails to give feedback within 10 days after receiving the request, the Shareholder(s) who individually or jointly hold 10% or more of the shares of the Company shall have the right to propose to the Supervisory Committee the convening of an extraordinary general meeting, and make a request to the Supervisory Committee in written form.

If the Supervisory Committee agrees to hold the extraordinary general meeting, it shall issue a notice of general meeting within 5 days upon receipt of the request, and any change of the original proposal in the notice shall subject to the consent of relevant Shareholder(s).

If the Supervisory Committee fails to issue a notice of the Shareholders' general meeting within the prescribed time limit, it shall be deemed that the Supervisory Committee does not convene and preside over the general meeting. In such case, the Shareholder(s) who individually or jointly hold 10% or more of the Company's shares carrying the right to vote at the meeting proposed to be held for more than 90 consecutive days may convene and preside over the meeting on his/her/its or their own.

**Article 51** If the Supervisory Committee or the Shareholder(s) decide to convene a general meeting on his/her/its or their own, he/she/it/they shall notify the Board in writing.

Before the resolution of the general meeting is announced, the shareholding ratio of the convening Shareholder(s) shall not be less than 10%.

The Supervisory Committee or the convening Shareholder(s) shall submit relevant supporting materials to the stock exchange(s) of the place where the Company's shares are listed when issuing the notice of the general meeting and announcing the resolutions of the general meeting.

**Article 52** The Board and the secretary of the Board shall provide assistance at the general meeting called by the Supervisory Committee or the Shareholder(s) on his/her/its or their own after receiving relevant notice. The Board shall provide the register of members as at the date of record.

**Article 53** Any necessary and reasonable expenses incurred by the Supervisory Committee or the Shareholder(s) for convening the general meeting on his/her/its or their own shall be borne by the Company.

## **Section IV Proposals and Notices of Shareholders' General Meeting**

**Article 54** The contents of the proposals shall fall within the scope of the functions and powers of the Shareholders' general meeting. They shall have clear topics and specific resolutions, and conform to relevant provisions of laws, administrative regulations and the Articles of Association.

**Article 55** When the Company convenes a Shareholders' general meeting, the Board, the Supervisory Committee, and the Shareholder(s) individually or jointly holding 3% or more of the Company's voting shares, shall have the right to put forward a proposal in writing to the Company.

Shareholders individually or jointly holding 3% or more of the Company's shares may put forward new proposals in writing to the Company and submit the same to the convener of a Shareholders' general meeting ten days prior to the meeting. The convener shall issue a supplementary notice of the Shareholders' general meeting within 2 days after receipt thereof to announce the contents of the interim proposal.

Except for the circumstances specified in the preceding paragraph, the convener shall not modify any proposal specified in the notice of Shareholders' general meeting or add any new proposal after the notice is issued.

The Shareholders' general meeting shall not vote on or make any resolution on any proposal not specified in the notice of Shareholders' general meeting or not in conformity with Article 53 hereof.

**Article 56** When the Company convenes the annual Shareholders' general meeting, the convener shall notify Shareholders the date and the place and the matters to be considered 20 days prior to the meeting. For an extraordinary general meeting, the Company shall notify Shareholders 15 days prior to the meeting.

Unless otherwise provided in the laws, regulations, securities regulatory rules of the places where the Company's shares are listed and the Articles of Association, the notice of the Shareholders' general meeting shall be served on each Shareholder, whether or not entitled to vote thereat, by personal delivery or prepaid mail to the Shareholder at his/her address, as shown in the register of members. For holders of domestic shares, notices of the Shareholders' general meetings may be given by public announcement.

**Article 57** A notice of Shareholders' general meetings:

- (I) shall be in writing;
- (II) place, the time and date of the meeting;
- (III) shall state the matters and proposals to be considered at the meeting;
- (IV) shall specify the record date for recording the shareholding interests of Shareholders who are entitled to attend the Shareholders' general meeting;
- (V) shall specify the name and telephone number of the contact person for the meeting;
- (VI) shall specify the voting timing and procedures;

(VII) shall expressly state that all Shareholders shall be entitled to attend the Shareholders' general meeting and appoint a proxy in writing to attend and vote on their behalf and that such proxy need not be a Shareholder of the Company.

**Article 58** If the election of a director or supervisor is to be discussed at a Shareholders' general meeting, the notice of the Shareholders' general meeting shall adequately disclose the details of the candidate for director or supervisor, whose information shall at least include:

- (I) personal particulars, including educational background, work experiences and concurrent positions;
- (II) whether he/she has any related party (connected) relationship with the Company or the Company's controlling Shareholder and actual controller;
- (III) number of shares of the Company he/she holds;
- (IV) whether he/she has been subject to any penalties imposed by the CSRC or any other relevant department or any disciplinary action imposed by any stock exchange.

Each candidate for director or supervisor shall be proposed on a separate basis.

**Article 59** After the notice of Shareholders' general meeting is sent, the Shareholders' general meeting shall not be postponed or cancelled, and the proposals set out in the notice shall not be cancelled without justified reasons. In the case of any postponement or cancellation, the convener shall make an announcement and explain the reasons therefor at least 2 working days prior to the date on which the meeting is originally scheduled.

## **Section V Holding of Shareholders' General Meeting**

**Article 60** The Board or any other convener shall take necessary measures to ensure the proper order of the Shareholders' general meeting, and shall take measures to stop any act disturbing the Shareholders' general meeting, seeking trouble or infringing upon the legitimate rights and interests of Shareholders, and promptly report such act to relevant authority for investigation and treatment.

**Article 61** All ordinary Shareholders recorded in the register as at the date of record (including the preferred Shareholders who has resumed their voting rights) or their proxies shall have the right to attend the Shareholders' general meeting, speak and exercise their voting rights thereat pursuant to relevant laws, regulations and the Articles of Association except where a Shareholder is required, by the Hong Kong Listing Rules, to abstain from voting to approve the matter under consideration.

Any Shareholder may attend the Shareholders' general meeting in person, or may appoint his/her/its proxy(ies) to attend and vote at the meeting on his/her/its behalf.

An individual Shareholder attending the Shareholders' general meeting in person shall present his/her identity card or other valid document or proof evidencing his/her identity and share account card; a proxy attending the Shareholders' general meeting on his/her behalf shall present his/her valid proof of identity and the power of attorney from Shareholder.

A corporate Shareholder shall attend the Shareholders' general meeting through its legal representative or a proxy appointed by the legal representative. The legal representative attending the meeting shall present his/her identity card and valid certificate bearing evidence of his/her qualifications as legal representative; a proxy attending the meeting on behalf of the legal representative shall present his/her identity card and the written power of attorney issued by the appointing legal representative according to law.

A clearing company shall have the right to appoint representatives or company representatives to attend the Shareholders' general meetings and creditors' meetings of the issuer, and such representatives or company representatives shall be entitled with the same statutory rights as other Shareholders, including the right to speak and vote.

**Article 62** Any Shareholder entitled to attend and vote at a Shareholders' general meeting shall be entitled to appoint one or more persons (whether or not a Shareholder) as his proxy to attend and vote on his behalf. A proxy so appointed shall be entitled to exercise the following rights in accordance with the authorization from that Shareholder:

- (I) the Shareholder's right to speak at the meeting;
- (II) the right to demand, whether on his own or together with others, a poll;
- (III) the right to vote may be exercised by poll.

**Article 63** The power of attorney issued by a Shareholder to appoint a proxy to attend the Shareholders' general meeting shall specify:

- (I) the name of the appointer and the name of the proxy;
- (II) number of shares of the appointer represented by the proxy;
- (III) whether or not the proxy has any voting right;
- (IV) separate instruction as to vote for or against or abstain from voting on each and every matter under consideration included in the agenda of the Shareholders' general meeting;
- (V) the date of issue and validity period of the power of attorney;
- (VI) signature (or seal) of the appointer. If the appointer is a legal person Shareholder, the power of attorney shall bear the seal of the legal person.

**Article 64** The proxy form shall be deposited at the address of the Company or such other place specified in the notice of the meeting not less than 24 hours prior to the meeting at which the proxy is authorized to vote, or not less than 24 hours prior to the time appointed for voting. Where the proxy form is signed by a person authorized by the appointer (other than a recognised clearing house or its nominees), the power of attorney or other authorization instruments shall be notarized. The notarized power of attorney or other authorization instruments, together with the proxy form, shall be lodged at the address of the Company or such other place as specified in the notice of the meeting.

Where the appointer is a legal person, its legal representative or other persons authorized by the resolutions of the Board of Directors or other decision-making body shall be entitled to attend the Shareholders' general meeting of the Company as a representative of the appointer.

Where such Shareholder is a recognised clearing house as defined under the Hong Kong Securities and Futures Ordinance (or its nominee), it may authorize one or more persons as it deems fit to act as its representative(s) at any Shareholders' general meeting or any class meeting, provided that, if more than one person is so authorized, the power of attorney shall specify the number and class of shares in respect to which person is so authorized, and shall be signed by an authorized personnel of the recognised clearing house. Such duly authorized persons may represent the recognised clearing house (or its nominees) to exercise the same powers (without showing proof of title, the notarized authorization and/or further evidence showing the proof of title) as if he is an individual Shareholder of the Company.

**Article 65** Any proxy form issued to a Shareholder by the Board of the Company for the purpose of appointing a proxy of Shareholder shall be in such form which enables the Shareholder, according to his/her free will, to instruct his/her proxy to vote in favor of, against or to abstain from the resolutions proposed and in respect of each individual matter to be voted on at the meeting. Such a proxy form shall contain a statement that in the absence of instructions by the Shareholder, his/her proxy may vote as he/she thinks fit.

**Article 66** Where the appointer has deceased, incapacitated to act, withdrawn the appointment or the power of attorney, or where the relevant shares have been transferred prior to the voting, a vote given by the proxy in accordance with the power of attorney shall remain valid provided that no written notice of such event has been received by the Company prior to the commencement of the relevant meeting.

**Article 67** The meeting register for the attendees shall be prepared by the Company. The meeting register shall specify the name of attendees (or name of their employers), identity card number, the domicile address, the number of voting shares held or represented by each attendee, name of the appointers (or name of their employer) and other relevant matters.

**Article 68** The convener and the lawyer (if any) engaged by the Company shall jointly verify the qualification of the Shareholders based on the register of Shareholders provided by the securities registration and clearing institution, and shall register the names of the Shareholders as well as the number of voting shares held by them. The meeting registration shall be terminated by the time the chairman of the meeting announces the number of Shareholders and proxies present at the meeting as well as the total number of voting shares held by them.

**Article 69** When the Shareholders' general meeting is held, all directors, supervisors and secretary of the Board of the Company shall attend the meeting, and unless there is reasonable ground, president and other senior management shall be present at the meetings as non-voting attendees.



**Article 70** The chairman of the Board shall preside as the chairman in the meeting convened by the Board. If the chairman of the Board cannot or fails to fulfill the duty thereof, the meeting shall be chaired and presided over by the Director elected by more than half of the Directors.

In the event that the Shareholders' general meeting is convened by the Supervisory Committee, the meeting shall be presided by the chairman of the Supervisory Committee. Should the chairman of the Supervisory Committee be unable to perform or fail to perform his/her duties, the meeting shall be chaired by the Supervisor elected by more than half of the Supervisors.

In the meeting convened by Shareholders, the convener shall nominate a representative to chair the meeting.

When a Shareholders' general meeting is convened and in the event that the moderator of the meeting violates the rules of procedure causing the Shareholders' general meeting unable to be continued, a person may be elected as the chairman of the meeting and preside over the meeting to carry on with the meeting with the consent of Shareholders with more than half of the voting rights attending the Shareholders' general meeting. If, for any reason, the attending Shareholders fail to elect one to be the chairman, the attending Shareholder (or his/her proxy) who holds the most voting shares shall be the chairman of the meeting and preside over the meeting.

**Article 71** The Company shall formulate the rules of procedure for the Shareholders' general meeting, which shall specify the procedures for convening of and voting at the Shareholders' general meeting (including the notification, registration, deliberation of proposals, voting, counting of ballots, announcement of voting result, formation of resolution, meeting minutes and signing thereof and announcement), and the principle of authorization of the Shareholders' general meeting to the Board. The content of authorization shall be clear and specific. The rules of procedure for Shareholders' general meetings shall be formulated by the Board and approved by the Shareholders' general meeting, and attached hereto as an appendix.

**Article 72** The Board and the Supervisory Committee shall report their work for the preceding year at the annual general meeting. Every independent director shall also make his/her work reports at the meeting.

**Article 73** Directors, supervisors and senior management shall make explanations and statements in respect of the inquiries and suggestions made by Shareholders at the Shareholders' general meeting.

**Article 74** The chairman of the meeting shall, prior to voting, announce the number of attending Shareholders and proxies as well as the total number of voting shares held by them, which shall be subject to those recorded in the register of attendees.

**Article 75** Minutes of a general meeting shall be kept by the secretary to the Board.

The minutes of the meeting shall specify:

- (I) time, venue and agenda of the meeting, and the name of the convener;
- (II) the names of the chairman of the meeting, and the directors, supervisors, secretary to the Board and other senior management officers attending or present at the meeting;

- (III) the number of Shareholders and proxies attending the meeting, the total number of voting shares held by them and the proportion of the shares to the total number of shares of the Company, as well as the number of voting shares held by holders of domestic shares (including their proxies) and holders of domestic listed foreign shares (including their proxies), and their respective proportion in the total number of shares of the Company;
- (IV) the consideration process, summaries of speeches and voting result for each proposal, including the voting status of the holders of domestic shares and holders of domestic listed foreign shares on each matter subject to resolution;
- (V) the inquiries or suggestions of the Shareholders, and the corresponding response or explanations;
- (VI) the name of the counting officer and monitoring officer;
- (VII) other contents that shall be recorded in the minutes in accordance with the Articles of Association.

**Article 76** The convener shall ensure the meeting minutes are true, accurate and complete. The attending directors, supervisors, secretary of the Board, the convener or representative thereof, and the chairman of the meeting shall sign the meeting minutes. The meeting minutes, together with the signed register of attendees and the powers of attorney for attendance by proxy, the valid information relating to the voting online or by other means shall be kept for at least 10 years.

**Article 77** The convener shall ensure the Shareholders' general meeting is held uninterrupted until final resolutions are arrived at. If the Shareholders' general meeting is interrupted or fails to reach any resolution due to force majeure or for other special reasons, necessary measures shall be taken to resume the Shareholders' general meeting as soon as possible or the Shareholders' general meeting shall be directly terminated and make a responsive announcement. Meanwhile, the convener shall report to the local office of the CSRC of the place where the Company operates and the stock exchange.

## **Section VI Voting at and Resolution of Shareholders' General Meeting**

**Article 78** Resolutions of Shareholders' general meeting can be classified into ordinary resolutions and special resolutions.

An ordinary resolution of a Shareholders' general meeting shall be passed with the adoption of Shareholders (including proxies) being present who represent more than half of the voting rights of the Shareholders (including proxies) being present.

A special resolution of a Shareholders' general meeting shall be passed with the adoption of Shareholders (including proxies) being present who represent more than two-thirds of the voting rights of the Shareholders (including proxies) being present.



**Article 79** The following matters shall be resolved by way of ordinary resolutions at a general meeting:

- (I) Work reports of the Board of Directors and the Supervisory Committee;
- (II) Plans for profit distribution and recovery of losses drafted by the Board of Directors;
- (III) Election and removal of the nonemployee representative directors and supervisors, and determination of matters on their remuneration;
- (IV) The Company's annual financial budget plan and final account plan;
- (V) Engagement, dismissal or nonreappointment of accounting firms;
- (VI) Annual reports of the Company;
- (VII) Any matters other than those required by the laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association to be approved by special resolution.

**Article 80** The following matters shall be approved by special resolutions at a general meeting:

- (I) Increase or reduction of the registered capital of the Company;
- (II) Demerger, spin-off, merger, dissolution and liquidation of the Company or change of corporate form of the Company;
- (III) Amendment to the Articles of Association;
- (VI) Purchase or disposal of material assets or provision of guarantee by the Company within a year of a value exceeding 30% of the Company's latest audited total assets;
- (V) Share incentive and employee stock ownership plans;
- (VI) Repurchase of the Company's shares;
- (VII) Any other matters prescribed by the laws, regulations, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, and those matters considered by ordinary resolution at a general meeting as having a material impact on the Company and are required to be approved by a special resolution.

**Article 81** Shareholders (including their proxies) shall exercise their voting rights at a Shareholders' general meeting based on the number of voting shares they represent, with one vote for each share. However, the Company's shares held by the Company have no voting right and such shares are not counted into the total number of voting shares of all the Shareholders present at the meeting.

Where any Shareholder is, under the applicable laws and regulations and the Hong Kong Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted.

If any Shareholder purchases the voting shares of the Company in violation of the provisions of Paragraph 1 and Paragraph 2 of Article 63 of the Securities Law, the voting rights of the proportion of shares beyond the specified proportion shall not be exercised within 36 months after the purchase, and such proportion of shares shall not be included in the total number of voting shares represented by the Shareholders attending the Shareholders' general meeting.

The Board, the independent directors, the Shareholders holding 1% or more of the voting shares of the Company, or any investor protection agency established in accordance with laws, administrative regulations or the provisions of the CSRC, may publicly solicit from Shareholders the rights to vote. Information including the specific voting intention shall be fully disclosed to the Shareholders from whom voting rights are being solicited. It is prohibited to solicit Shareholders' voting rights with compensation or compensation in disguised form. Except under statutory conditions, the Company shall not impose a minimum shareholding limit on the solicitation of voting rights.

**Article 82** Any voting shall be cast by open ballot or other methods required by the securities regulatory rules of the place where the Company's shares are listed at the shareholders' general meeting.

**Article 83** When a related party (connected) transaction is considered at a Shareholders' general meeting, the related (connected) Shareholders shall not vote, and the number of voting shares they represent shall not be counted in the total number of valid voting shares. The resolution of the Shareholders' general meeting shall adequately disclose information relating to the voting of non-related (connected) Shareholders.

**Article 84** List of non-employee representative director or supervisor candidates shall be submitted in the form of proposal to the Shareholders' general meeting for voting.

At a Shareholders' general meeting, the approach and procedures for nomination of non-employee representative Directors and Supervisors are as follows:

- (I) Shareholders individually or jointly holding 3% or more of the total outstanding voting shares of the Company may, by way of a written proposal, put forward to the Shareholders' general meeting the recommended candidates for Directors and Supervisors (not being staff representatives). However, the number of candidates nominated shall comply with the provisions of the Articles of Association, and shall not exceed the number to be elected.

- (II) Within the number of members as specified in the Articles of Association and based on the number to be elected, the nomination committee under the Board and Supervisory Committee shall may propose a list of recommended candidates for director and supervisor positions, which shall be submitted to the Board of Directors and Supervisory Committee for approval. After the list of candidates for directors and Supervisors is determined upon approval by the Board of Directors and Supervisory Committee and adoption of a resolution, it should be proposed in writing at a Shareholders' general meeting. Employee representative directors and employee representative Supervisors shall be elected through the employee representatives meetings, employee meetings or through other forms of democratic election.
- (III) The nomination of candidates for independent directors shall be made in accordance with laws and regulations and the securities regulatory rules of the place where the Company's shares are listed.
- (IV) The written notices of the intention to nominate a candidate for election as a non-employee representative director or supervisor, the acceptance of nomination by such candidate, and the relevant written materials of the nominated candidate, shall be given to the Company no less than 7 days prior to the date of convening the Shareholders' general meeting (such seven-day period shall commence no earlier than the second day after the issue of the notice of the meeting at which the election shall be conducted and end no later than seven days prior to the Shareholders' general meeting). The Board of Directors and Supervisory Committee shall provide Shareholders with biographical details and basic information about the candidates for non-employee representative directors and Supervisors.
- (V) The period for nominating a candidate for non-employee representative Director or Supervisor and the period for nominees to provide the aforesaid notice and documents shall be no less than 7 days (such period shall commence from the day following the date of serving the notice of convening the Shareholders' general meeting).
- (VI) At the Shareholders' general meeting, voting for each non-employee representative candidate for a director and supervisor shall be handled as separate matters.
- (VII) In the case of ad hoc addition or replacement of any non-employee representative director or supervisor, the Board of Directors and Supervisory Committee shall put forward a proposal to the Shareholders' general meeting for such election or replacement.

**Article 85** All proposals shall be resolved on a case-by-case basis at the Shareholders' general meeting. In the event of several proposals for the same matter, such proposals shall be voted on in the order of time at which they are submitted. Unless the Shareholders' general meeting is interrupted or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be put on hold nor refused at the Shareholders' general meeting.

**Article 86** No amendment shall be made to a proposal when it is being considered at the Shareholders' general meeting; otherwise, relevant amendment shall be deemed as a new proposal and shall not be voted on at the current Shareholders' general meeting.

**Article 87** The same voting right can only be exercised on site, or online, or otherwise. Where the same voting right is exercised more than once, the voting result of the first time shall prevail.

**Article 88** When proposals are voted on at the Shareholders' general meeting, two Shareholder representatives shall be elected to count, and monitor the counting of votes. Where any Shareholder has interests in any matter to be considered, the said Shareholder or proxy thereof shall not participate in counting and monitoring the counting of votes.

When proposals are voted on at the Shareholders' general meeting, the Shareholder representative(s) and the supervisor representative(s) shall be jointly responsible for the counting and monitoring the counting of the votes and announce the voting results on the spot, which shall be recorded in the meeting minutes.

**Article 89** Shareholders who attend the meeting shall take one of the following stances when a proposal is put forward for voting: to vote for, vote against or abstain from voting. Any votes which are uncompleted, erroneously completed or illegible, or uncast votes shall be considered as an abstention of voting rights by the voter and the outcome of votes carried with the shares held by such voter shall be counted as "abstain from voting".

**Article 90** If the chairman of the meeting has any doubt as to the result of a resolution which has been put to vote, he/she may have the ballots counted. If the chairman of the meeting has not counted the ballots, any Shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may, immediately after the declaration of the voting result, demand that the ballots be counted, and the chairman of the meeting shall have the ballots counted immediately.

If ballots are counted at a Shareholders' general meeting, the counting result shall be recorded in the meeting minutes. The minutes of the meeting, together with the attendance records signed by the attending Shareholders and proxy forms shall be kept at the domicile of the Company.

**Article 91** Resolutions of the Shareholders' general meeting shall be announced in due time. Such announcement shall specify the number of attending Shareholders and their proxies, the total number of voting shares held by them and the proportion of the shares to the total number of the voting shares of the Company, the voting method, the voting result for each proposal and the details of each resolution adopted.

**Article 92** Where a proposal on the election of a director or supervisor is approved at the Shareholders' general meeting, unless otherwise expressly stated in the resolution of the Shareholders' general meeting, the new director or supervisor shall take office when the proposal on the election is approved at the Shareholders' general meeting.

**Article 93** Where a proposal on cash dividends, bonus shares or conversion of capital reserves to share capital is approved at the Shareholders' general meeting, the Company shall implement the same within two months after conclusion of the Shareholders' general meeting.

**Article 94** Shareholders may have access to copies of the meeting minutes free of charge during the office hours of the Company. If any Shareholder asks for copies of such minutes, the Company shall send out the said copies within 7 days after receipt of reasonable expenses.

## CHAPTER 5 BOARD OF DIRECTORS

### Section I Directors

**Article 95** Directors shall be natural persons. A person shall be disqualified from being a director of the Company in each of the following circumstances:

- (I) a person who suffers from any incapacity or restricted capacity from undertaking civil liabilities;
- (II) a person who has been convicted of and sentenced for offences relating to corruption, bribery, trespass to assets, misappropriation of assets or causing social and economic disorder or who has been deprived of his/her political rights as a result of him/her having committed an offence and, in each case, a period of 5 years has not elapsed since the completion of the term of the sentence or deprivation;
- (III) a person who was a director or factory manager or manager of a company or enterprise which had become insolvent and liquidated because of unsound management and who incurred personal liability for the insolvency of that company or enterprise, and a period of 3 years has not elapsed since the date of completion of insolvent liquidation of that company or enterprise;
- (IV) a person who was a legal representative of a company or enterprise, the business license of which was revoked on the grounds of contravention of law, and who incurred personal liability thereof, and a period of 3 years has not elapsed since the date of revocation of the business license of that company or enterprise;
- (V) a person who has failed to repay his/her relatively large amount of debts when due;
- (VI) a person who is banned by the CSRC from entering into the securities market for a period which has not yet expired;
- (VII) any other circumstances provided by laws, regulations or departmental rules.

Where the Company elects or appoints any director by violating the provisions in this Article, such elections, appointments or hiring shall be deemed invalid. Where any director, during his/her term of office, is under any of the circumstances as mentioned in this Article, the Company shall remove him/her from his/her post.

**Article 96** Directors shall be elected or replaced at the general meetings and may further be removed from their office prior to the conclusion of the term thereof by the general meeting. The term of office of a Director shall be 3 years. Upon expiration of the term of office, a Director shall be eligible to offer himself for re-election and re-appointment.

The term of office of a director shall commence from his accession till the expiry of the term of the current session of the Board of Directors. Where election of directors fails to be timely conducted upon expiry of the term of office of the former directors, the former directors shall, prior to the accession of the newly elected directors, perform their duties as directors in accordance with laws, administrative regulations, regulations of regulatory authorities and provisions of the Articles of Association.

The president or other senior management may concurrently serve as a director, provided that the aggregate number of the directors, who concurrently serve as president or other senior management, and the directors, who are employee representatives, shall not exceed one half of all the directors of the Company.

**Article 97** The directors shall comply with the laws, administrative regulations, and the Articles of Association. They shall bear the obligations of fidelity to the Company:

- (I) not to exploit his/her official functions and powers to accept bribes or other unlawful income, and not to expropriate in any manner the Company's property;
- (II) not to misappropriate the Company's funds;
- (III) not to open in his/her own name or in another person's name any bank account for the purpose of depositing any of the Company's assets;
- (IV) not to advance the Company's funds to any other person or not to use the Company's assets to provide any security for any other individual in violation of the Articles or without the consent 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 Articles or without the consent of the general meeting;
- (VI) not to seek business opportunities accounted to the Company for himself/herself or any other persons by exploiting his/her official functions, or run the same businesses as those of the Company for himself/her or for others, without the consent of the general meeting;
- (VII) not to accept commissions arising from transactions with the Company and appropriate to himself/herself;
- (VIII) not to illegally disclose the Company's confidential information;
- (IX) not to damage the interest of the Company by taking the advantage of their connected relationship with the Company;
- (X) other obligation of fidelity provided by laws, administrative regulations, departmental rules and the Articles of Association.

The income incurred in violation of this Article shall be accounted to the Company; for any loss caused to the Company, he/she shall be liable for compensation.

**Article 98** Directors shall abide by laws and regulations and the Articles of Association and perform the following duties of diligence:

- (I) to exercise the powers authorized by the Company in a prudent, careful and diligent way so as to ensure that the commercial activities of the Company are in compliance with the PRC laws and regulations and economic policies, and that the business activities do not exceed the business scope of the Company as registered in the business license;
- (II) to treat all Shareholders equally;



- (III) to seek to know the operation of the business and administration of the Company in time;
- (IV) to issue in writing opinions of confirmation to the regular reports of the Company so as to ensure that the information disclosed by the Company are true, accurate and complete;
- (V) to provide information and documents according to the facts to the Supervisory Committee and not to hinder the exercise of responsibilities by the Supervisory Committee or Supervisors;
- (VI) other duties of diligence as prescribed by laws, administrative regulations, department rules and the Articles of Association.

**Article 99** When a Director's resignation becomes effective or his term of office expires, he shall duly carry out all handover procedures with the Board of Directors. His fiduciary obligations to the Company and Shareholders shall not necessarily terminate from the end of his term of office, and shall remain effective within a reasonable period as specified in the Articles of Association.

**Article 100** A Director may resign before expiration of his term of office. The resigning Director shall submit a written resignation to the Board of Directors.

In the event that the resignation of any Director results in the number of members of the Board of Directors to be less than the statutory minimum requirement, the said Director shall continue to perform duties as Director pursuant to the laws, administrative regulations, departmental rules and the Articles of Association until a new Director is elected and assumes his/her office.

Save for the circumstances set out in the preceding paragraph, the resignation of a Director shall become effective upon submission of his resignation to the Board of Directors.

Subject to the relevant laws and regulations, and the regulatory rules of the local authority where the Company's shares are listed, any person appointed by the Board to fill a casual vacancy on the Board or as an addition to the Board shall hold office only until the first annual general meeting after his appointment and shall then be eligible for re-election.

**Article 101** If any Director fails to attend in person or appoint other Directors as his/her representative to attend meetings of the Board of Directors for two consecutive times, such Director shall be deemed to have failed to perform his duties, and the Board of Directors shall propose to replace such Director at the general meeting.

**Article 102** The Company shall have independent non-executive Directors. Except as otherwise provided by this section, the provisions relating to the qualifications and obligations of Directors in the Articles of Association shall apply to independent non-executive Directors.

Independent non-executive Directors shall have sufficient industry or professional experience to perform their duties, and perform their duties honestly and faithfully, safeguard the Company's interest and in particular, preventing encroachment of the lawful rights and interests of public Shareholders, so as to ensure the sufficient representation of the interests of all Shareholders.

**Article 103** Prior to the expiration of his term of office, any Director who has withdrawn from his office without permission, or who violates any laws, administrative regulations, departmental rules or the Articles of Association or during the course of performing his duties, and Company suffers only loss, such Director shall be liable for compensation of such loss.

**Article 104** No Director shall act for and on behalf of the Company or the Board of Directors in his personal capacity, unless specified under the Articles of Association or legally authorised by the Board of Directors. In the event that a Director is acting in his personal capacity, but may be reasonably deemed to be acting on the behalf of the Company or the Board of Directors by a third party, such Director shall state his stance and capacity in advance.

## **Section II Board of Directors**

**Article 105** The Company shall set up a Board of Directors, which shall be responsible to the Shareholders' general meeting.

**Article 106** The Board of Directors shall comprise eight (8) Directors. The Board of Directors shall have one chairman. The chairman of the Board of Directors shall be elected or removed by more than one half of all Directors, and has a term of office of three (3) years and is renewable upon re-election.

Subject to the relevant laws and administrative regulations, a Director may be removed by an ordinary resolution in a general meeting, before the expiration of his term of office (but without prejudice to any claim which such Director may here for damages under any contract).

The number of independent non-executive Directors, at all times, shall not be less than three (3) and shall represent one third (1/3) or above of the Board of Directors. At least one of them shall have appropriate professional qualifications, or accounting or related financial management expertise. The term of office of an independent non-executive Director shall be three (3) years and is renewable upon re-election, but shall not exceed six (6) years, unless otherwise provided by relevant laws, regulations and the listing rules of the stock exchange where the Company's shares are listed.

**Article 107** The Board of Directors shall be responsible to general meetings and exercise the following functions and powers:

- (I) convene the general meeting and report to the general meeting;
- (II) To implement the resolutions adopted at general meetings;
- (III) To decide on the Company's business plans and investment plans;
- (IV) To formulate the Company's annual financial budgets and accounts;
- (V) To formulate the Company's proposals on profit distribution and plan for recovery of losses;
- (VI) To formulate proposals for increases or reductions of the Company's registered capital and proposals for the issue and listing of corporate debentures or other securities;



- (VII) To formulate plans for material asset acquisition or disposal, acquisition of the Company's shares, or merger, demerger, dissolution and change of corporate formation of the Company;
- (VIII) To decide, within the scope authorised by the general meeting, the Company's overseas investment, purchase and sale of assets, asset mortgage, external guarantee, entrusted wealth management, related (connected) transactions and other matters;
- (IX) To decide on the establishment of the Company's internal management structure;
- (X) To decide on the establishment of each special committees under the Board of Directors and to consider and approve resolutions proposed by each special committee under the Board of Directors;
- (XI) To appoint or dismiss the Company's president, Board secretary and other senior management officers, and determine their remunerations, rewards and punishments; and to appoint or dismiss other senior management officers of the Company, such as the vice president and chief financial officer pursuant to the nomination of the president, and determine their remunerations, rewards and punishments;
- (XII) To formulate the Company's basic management system;
- (XIII) To formulate proposals for amendment to the Articles of Association;
- (XIV) To manage the disclosure of the Company's information;
- (XV) To propose to general meeting the appointment or change of auditors engaged in auditing businesses of the Company;
- (XVI) To listen to work reports from the Company's senior management officers and examine their work;
- (XVII) To exercise other functions and powers conferred by laws, administrative regulations, department rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Matters beyond the authorization of the general meeting shall be submitted at the general meeting for approval.

**Article 108** The Board of Directors shall explain to the Shareholders' general meeting the nonstandard auditing opinions presented by certified accountants with respect to the Company's financial reports.

**Article 109** The Board of Directors shall formulate rules of procedures of the Board of Directors, to ensure the implementation of the resolutions made at Shareholders' general meetings, improve the working efficiency and ensure scientific decisions-making process.

**Article 110** The Board of Directors shall have one chairman, which shall be elected by more than half of all Directors.

**Article 111** The chairman of the Board shall exercise the following functions and powers:

- (I) To preside over general meetings and to convene and preside over board meetings;
- (II) To supervise and examine the implementation of the resolutions of the Board;
- (III) To sign the share certificates, corporate bonds and other marketable securities issued by the Company;
- (IV) To exercise other functions and powers conferred by the laws, administrative regulations, departmental rules, the Articles of Association and the Board.

Where the chairman of the Board is incapable of performing or fails to perform his/her duties, a director shall be elected by not less than half of the directors to perform duties.

**Article 112** Meetings of the Board shall be held at least four (4) times every year and convened by the chairman of the Board. Notice of the meeting shall be served on all of the Directors and Supervisors fourteen (14) days before the date of the meeting.

In case of any urgent matters, the following persons can propose to convene an interim Board meeting: The chairman of the Board of Directors shall convene a Board meeting within ten days and preside it:

- (I) When proposed by more than one-tenth of the Shareholders with voting rights;
- (II) When proposed by one-third or more of the Directors;
- (III) When proposed by the Supervisory Committee;

**Article 113** Notice shall be given to all Directors, Supervisors fourteen (14) days prior to a regular Board meeting, and a reasonable period (no less than five (5) days) prior to an interim Board meeting. The responsible body of the Company shall serve a written notice of the meeting to all Directors, Supervisors by direct delivery, mail, fax or other means as permitted by the securities regulatory rules of the place where the Company's shares are listed. Notices that are not served by hand shall be confirmed by telephone and record should be made accordingly.

In case of emergency and an interim Board meeting is required to be convened as soon as possible, the notice of meeting may be given by telephone or by other verbal means at any time, but the convener shall provide an explanation at the meeting.

**Article 114** The notice of a Board meeting shall include the following:

- (I) The date and venue of the meeting;
- (II) The duration of the meeting;
- (III) Subjects and topics to be discussed at the meeting;
- (IV) The issuance date of the notice;
- (V) The necessary information and explanation in relation to matters to be considered at the meeting;
- (VI) Other necessary contents stipulated by laws and regulations and the securities regulatory rules of the place where the Company's shares are listed.

**Article 115** Meetings of the Board of Directors shall be held only if more than half of the Directors are present.

Each Director shall have one vote. Except as otherwise required by laws, administrative rules and regulations, the Board may pass resolutions only upon a majority vote of all the Shareholders attended in the meeting.

If a Director has a related (connected) relationship with an enterprise involved in a matter on which a resolution is to be made at a meeting of the Board of Directors, he/she may not exercise his/her right to vote regarding such resolution, nor may he/she exercise the voting right of another Director as such director's proxy thereon. Such meeting can effectively convene when more than half of the unrelated (unconnected) Directors attend, and the resolution shall be approved by votes from more than half of the unrelated (unconnected) Directors. Should there be fewer than three (3) unrelated (unconnected) Directors at the Board meeting, the item shall be submitted for consideration at the general meeting.

Where the number of votes cast for and against a resolution are equal, the chairman of the Board of Directors shall have a casting vote.

**Article 116** Resolutions of the Board meetings shall be voted by way of open ballot or other voting method as permitted by the laws and regulations and the regulatory rules of the place where the Company's shares are listed.

**Article 117** Upon approval by the convener or chairman, an extraordinary Board meeting may be convened and resolutions may be adopted at the meeting via video, telephone or written communication, provided that Directors are able to fully express their opinions, and the resolution adopted at the meeting shall be signed by the attending Directors. Board meetings may also be convened on site and by other means simultaneously provided that the Directors can hear each other distinctly and that they can communicate. All the Directors present at such kind of meeting shall be deemed as having attended the meeting in person.

**Article 118** Directors shall attend a Board meeting his/her own. If Directors are unable to attend the meeting due to certain reasons, they may authorize other Directors in writing to attend the meeting on their behalf. A letter of authorization shall indicate the name of representative, matters of representation, scope of authorization and effective period, and under the signature or seal of the consignor.

The appointed Director attending the meeting shall exercise the rights of a Director within the scope of authorization. If a Director does not attend a Board meeting, and does not authorize any representatives to attend the meeting, he shall be deemed to have waived the voting right in the meeting.

**Article 119** The Board shall keep minutes of resolutions on matters discussed at meetings. The minutes shall be signed by the Directors, the secretary to the Board and the minute taker present at the meeting. The minutes of the Board meetings shall be kept as corporate documents for at least 10 years.

**Article 120** The minutes of Board meetings shall consist of the following:

- (I) the session of the Board to hold the meeting, the date, venue and method for the convening of meeting;
- (II) the issue of the notice of the meeting;
- (III) the convener and the chairman of the meeting;
- (IV) the name of the Director present and name of Director(proxy) being appointed to attend on the other's behalf;
- (V) the agenda of the meeting;
- (VI) the highlights of speeches made by each Director;
- (VII) the voting method of each agenda and the voting result (the voting result should specify the number of votes for and against and abstentions);
- (VIII) other matters required to be included in the meeting minutes by the Directors present.

The Directors shall be liable for the resolutions of the Board. If a resolution of the Board violates the laws, administrative regulations, the Articles of Association, resulting in serious losses to the Company, the Directors involved in approving the resolution are liable to compensate the Company. However, if it can be proven that a Director expressly objected to the resolution during voting and that such objection is recorded in the minutes of the meeting, such Director may be released from such liability.

### **Section III Special Committees under the Board**

**Article 121** The Board of Directors shall establish three (3) special committees, including Audit Committee, Remuneration Committee and Nomination Committee, and the personnel composition and rules of procedure of which shall be resolved separately by the Board of Directors. Where necessary, the Board of Directors may establish other special committees.

**Article 122** The special committees are ad hoc committees under the Board of Directors which provide advices or advisory opinions for the Board of Directors on material decisions. The special committees shall not make any decision in the name of the Board of Directors. However, the committees may exercise decision-making power in respect of the authorized matters in accordance with a special power given by the Board of Directors. The special committees shall be responsible to the Board, fulfill duties according to the Articles of Association and the authorization of the Board of Directors, and their proposals shall be submitted to the Board of Directors for deliberation. Members of special committees are all Directors, and independent Directors shall take the majority and assume the role of convener. The convener of the audit committee shall be an accountant professional. The Board of Directors is responsible for formulating the rules of the special committees to regulate their operation.

**Article 123** The special committees may engage intermediary organizations to provide independent professional advice, and the relevant expenses therefor shall be borne by the Company.

### **Section IV Secretary to the Board**

**Article 124** The Company shall have one (1) secretary to the Board who shall be appointed or dismissed by the Board. The secretary to the Board is a senior management officer and is accountable to the Company and the Board and shall perform his duties faithfully and diligently.

The secretary of the Board of Directors shall abide by the relevant provisions of laws, administrative regulations, departmental rules and these Articles of Association.

**Article 125** The secretary to the Board shall has acquired requisite professional knowledge and experience. He shall be appointed or dismissed by the Board of Directors and the major duties of whom include:

- (I) to ensure that the constitutional documents and records of the Company are complete; to maintain and manage Shareholders' information; to assist the Directors in dealing with daily work of the Board; to inform, remind Directors of and ensure the Directors to be acquainted with the laws, administrative regulations, policies and requirements by relevant regulatory authorities regarding the Company's operations; to assist Directors and president in abiding by laws, administrative regulations, departmental rules and these Articles of Association in their exercise of authority and functions;
- (II) to be responsible for the organization and preparation works for the Board of Directors, Shareholders' general meeting, meeting records, minutes of meetings, to ensure the resolutions reached at these meetings comply with the legal procedures, to be well informed about the execution of the Board resolutions and to advise Directors on important issues encountered in the execution;

- (III) as a contact point between the Company and securities regulators, to be responsible for the organization, preparation and timely submission of the reports and files requested by the securities regulators; to be acknowledged of and complete the relevant requirements stipulated by the securities regulators;
- (IV) to coordinate and arrange the disclosure of the information of the Company; to establish a sound disclosure system; to attend the meetings relating to the disclosure; and to be promptly aware of the material business operating decisions of the Company and other relevant information;
- (V) to ensure that the Company's registers of members are properly maintained, and that persons who are entitled to receive the relevant records and documents of the Company receive the relevant records and documents in a timely manner;
- (VI) to perform such other duties and exercise such other powers as may be conferred by the Board, laws and regulations and the stock exchange on which the shares of the Company are listed.

**Article 126** A Director or any other senior management of the Company may concurrently serve as secretary to the Board. The accountant whose firm is engaged by the Company and management executives acting on behalf of the Controlling Shareholder shall not serve as secretary to the Board.

In the case of the secretary to the Board being a Director, this person shall not act in both capacities when an action requires efforts to be made separately by a Director and a secretary to the Board.

## **CHAPTER 6 SENIOR MANAGEMENT OFFICERS**

**Article 127** The Company shall have one (1) president who shall be appointed or dismissed by the Board of Directors.

The Company shall have several vice presidents and one (1) financial controller, both of whom shall be nominated by the president and shall be appointed or dismissed by the Board.

A Director may concurrently serve as the president and a vice president.

**Article 128** The circumstances of disqualification for Directors prescribed in Article 95 of the Articles of Association shall be applicable to senior management officers.

Provisions regarding the duty of loyalty of Directors under Article 96 and of diligence of Directors under items (IV), (V) and (VI) of Article 98 hereof shall be applicable to the senior management officers.

**Article 129** The president has a term of office of three (3) years and may serve successive terms upon reappointment.

**Article 130** The president shall be accountable to the Board of Directors, and has duties and powers listed below:

- (I) to be in charge of the Company's operation and management, to organize the implementation of the resolutions of the Board and Company, and report to the Board of Directors;
- (II) to arrange proper resources to implement the Company's annual business plans and investment plans;
- (III) to draft internal management organization plans of the Company;
- (IV) to draft the Company's basic management system;
- (V) to formulate basic rules and regulations for the Company;
- (VI) to propose the appointment or dismissal of the Company's vice president and the financial controller;
- (VII) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board; and
- (VIII) to exercise other powers conferred by these Articles of Association and the Board.

The president shall attend Board meetings.

**Article 131** In the exercise of his powers, the president and other senior management officers shall comply with the laws, administrative regulations and these Articles of Association, and fulfil his duties in good faith and with due diligence. The Director shall be liable for the compensation to the Company for losses caused should he/she violates laws, regulations or the Articles of Association when performing the duties.

## **CHAPTER 7 SUPERVISORY COMMITTEE**

### **Section I Supervisors**

**Article 132** The circumstances of disqualification for Directors prescribed in Article 95 of the Articles of Association shall be applicable to supervisors. Directors and senior management officers of the Company shall not concurrently serve as Supervisors.

Directors and senior management officers of the Company shall not concurrently serve as Supervisors.

**Article 133** The Supervisors shall observe laws, administrative regulations and the Articles of Association. They shall shoulder the duties of loyalty and due diligence to the Company, and shall not accept any bribery or other illegal income by using his/her powers and position, or seize the assets of the Company in any manner.



**Article 134** The term of office of a Supervisor shall be three years, being renewable upon re-election and re-appointment upon expiry.

**Article 135** Where the tenure of Supervisors expires and re-election has not yet been made, or where a Supervisor resigns during his/her tenure resulting in the number of Supervisors falls below the necessary quorum of meeting of the Supervisory Committee, the original Supervisors shall (before the re-election of the new Supervisors) continue to perform their duties as Supervisors pursuant to the provisions of laws, administrative regulations and the Articles of Association.

**Article 136** A Supervisor shall ensure that information disclosed by the Company is true, accurate and complete and he/she shall sign on the periodical report with written confirmation.

**Article 137** Supervisors shall attend Board meetings and may raise queries or proposals regarding matters resolved at such meetings.

**Article 138** Supervisors shall not prejudice the interests of the Company by means of their related/connected relationship or they shall be liable for compensation for any loss caused to the Company.

**Article 139** If Supervisors have violated the provisions of any laws, administrative regulations, departmental rules or the Articles of Association in the course of performing their duties, which has caused losses to the Company, they shall be liable for compensation.

## **Section II Supervisory Committee**

**Article 140** The Company shall have a Supervisory Committee.

The Supervisory Committee shall consist of three (3) Supervisors including one (1) staff representative Supervisor, among whom one shall act as the chairman of the Supervisory Committee. The appointment or the dismissal of the chairman of the Supervisory Committee shall be passed by more than one half of the members of the Supervisory Committee.

**Article 141** The Supervisory Committee shall be comprised of Shareholder representatives and staff representatives. Staff representatives shall comprise not lower than one-third of all members of the Supervisory Committee. Shareholder representatives shall be elected and dismissed by the Shareholders' meeting, while the staff representative Supervisor shall be elected by the employee representatives' meeting or employees' general meeting or other democratic elections.

**Article 142** The Supervisory Committee shall convene a meeting at least once every six months. The meetings shall be convened by the chairman of the Supervisory Committee. In the event that the chairman of the Supervisory Committee is incapable of performing or fails to perform his duties, a Supervisor jointly recommended by half or above of the Supervisors shall be appointed to convene and preside. Supervisors may propose to convene extraordinary meetings of the Supervisory Committee.

In convening the regular or extraordinary meetings of the Supervisory Committee, the members of the Supervisory Committee shall give the written notice of the meeting to all Supervisors by hand, fax, e-mail or other means 5 days prior to the meeting. If the notice is not delivered by hand, a subsequent telephone call shall be made for confirmation and corresponding records shall be made.



In case of urgency and an extraordinary meeting of the Supervisory Committee is required to be convened as soon as possible, the notice of meeting maybe delivered by telephone or by other verbal means at any time, but the convener shall make explanations at the meeting.

**Article 143** The Supervisory Committee shall be accountable to the general meetings and shall exercise the following duties and powers in accordance with law:

- (I) shall review and provide its review comments in writing on regular reports prepared by the Board of Directors;
- (II) to inspect the financials of the Company;
- (III) to supervise conducts of the Company's Directors and senior management officers during the performance of their duties, and shall make recommendations for removal of any of them for any violation of the law, rules and regulations or Articles of Association of the Company or resolutions of general meetings;
- (IV) to request the Company's Directors or other senior management officers to rectify any act that is harmful to the interest of the Company;
- (V) to propose the convening of an extraordinary general meeting and convene and preside over the Shareholders' general meeting when the Board of Directors fails to perform such duties specified under the Company Law;
- (VI) to submit proposals to the Shareholders' general meeting;
- (VII) to bring an action against a Director and senior management officer in accordance with the Company Law;
- (VIII) in the event that any unusual operation of the Company discovered, it may conduct an investigation and, when necessary, may engage professional institutions, such as accounting or law firms, to assist in its work at the expense of the Company;
- (IX) to exercise other functions and powers specified in these Articles of Association;

Supervisors shall attend the Board meetings.

**Article 144** The method for resolving matters by the Supervisory Committee: resolutions of the Supervisory Committee shall be made by way of voting with one vote for each Supervisor in the manner of open and written ballot.

The voting procedure: a supervisor may cast a vote as affirm, object or abstain. Each attending supervisor shall indicate his/her voting intention by choosing one of the above. The chairman of the meeting shall request each Supervisor who fails to choose any of the above or have chosen two or more of the above to vote again. Refusal to do so shall be regarded as having abstained from voting. Any Supervisor who leaves the meeting and does not return and has not voted by choosing any of the above shall be regarded as having abstained from voting.

Resolutions of the Supervisory Committee shall be passed by more than half of the members of the Supervisory Committee.

**Article 145** The Supervisory Committee shall keep minutes of resolutions on matters discussed at the meeting, and the attending Supervisors shall sign on the minutes of the meeting.

The Supervisor is entitled to request for making some descriptive record with regard to his/her speech in the meeting. The minutes of the meeting of the Supervisory Committee shall be kept in the domicile of the Company for at least 10 years.

In the case of voting by means of communications, Supervisors shall sign and return by mail the voting instruments containing the written opinions and voting intentions in respect of the matters discussed to the office of the Supervisory Committee. Supervisors who cast votes by means of communications shall submit the signed original copy of the voting paper to the Supervisory Committee within the period stipulated in the notice of the meeting.

**Article 146** A Supervisor shall carry out his Supervisory duties honestly and faithfully in accordance with the law, administrative regulations and these Articles of Association.

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

### **Section I Financial Accounting System**

**Article 147** The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the provisions stipulated by the competent financial authority of the State Council.

**Article 148** The Company shall adopt the Gregorian calendar year for its fiscal year, i.e. the fiscal year shall be from January 1 to December 31. The Company uses RMB as the standard currency for its bookkeeping, and its accounts are recorded in Chinese. At the end of each fiscal year, the Company shall prepare a financial report which shall be audited by an accounting firm in accordance with the law.

The financial statements of the Company can, in addition to being prepared in accordance with the PRC accounting standards and regulations, be prepared in accordance with either international accounting standards or that of the overseas place where the shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, such difference shall be made in the notes to financial statements.

When the Company is to distribute its after-tax profits of the relevant fiscal year, the lower of the after-tax profits as shown in the aforesaid two financial statements shall be adopted.

**Article 149** The Board of the Company shall submit to the Shareholders at every 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 competent authorities.

**Article 150** The Company shall not keep any accounting books other than those specified by law. The assets of the Company shall not be deposited in any personal account.

**Article 151** The Company shall publish the financial reports twice in each fiscal year. Interim financial report shall be published within 60 days after the end of the first six months of a fiscal year, while the annual financial report shall be published within 120 days after the end of a fiscal year.

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

## **Section II Profit Distribution**

**Article 152** When the current year's after-tax profits of the Company are distributed, the Company must allocate 10% of the profits to the statutory common reserve. When the total amount of the statutory common reserve reaches or exceeds 50% of the Company's registered capital, no more allocations need to be provided.

If the statutory common reserve of the Company is insufficient to make up the losses of the Company incurred during the previous year, the profits generated during the current year must be used to make up such losses before allocating to the statutory common reserve in accordance with the requirements set forth in the preceding paragraph.

After the Company makes the allocation from its after-tax profits to its statutory common reserve, the Company may, subject to a resolution at the Shareholders' general meeting, make an allocation from its after-tax profits to the discretionary common reserve.

After making up for the losses and making allocations to the common reserve fund, any remaining after-tax profits shall be distributed in proportion to their respective shareholdings, unless otherwise stipulated by the Articles of Association.

If the Shareholders' general meeting violates the provisions in the preceding paragraph and profits are distributed to the Shareholders before the Company makes up losses or makes allocations to the statutory common reserve, the profits distributed in violation of the provisions must be returned by such Shareholders to the Company.

The shares held by the Company shall not be subject to profit distribution.

**Article 153** The reserve fund of the Company can be applied for making up for losses of the Company, expansion of the Company's production and operation or capitalization for capital increase of the Company, but the capital reserve fund cannot be applied for making up for losses of the Company.

Where the statutory common reserve is converted into capital, the balance of such reserve fund shall not fall below 25% of the Company's registered capital prior to such conversion.

**Article 154** The Company may distribute dividends in the form of (or a combination of both):

(I) cash;

(II) shares;

(III) other means permitted by laws and regulations, and the regulatory rules of the place where the Company's shares are listed.

**Article 155** Any amount paid up in advance of calls on any share may carry interest but shall not entitle the relevant Shareholder to participate in respect thereof in a dividend subsequently declared.

**Article 156** The Company shall appoint receiving agents on behalf of Shareholders holding H shares. The receiving agents shall on behalf of such Shareholders receive dividends distributed by the Company in respect of the H shares and other amounts payable, and such payment shall be kept by the receiving agents on such Shareholders' behalf for any payment to them. Subject to compliance with the relevant laws and regulations of the PRC and the requirements of the stock exchange(s), the Company may exercise its right to confiscate the dividends which are not claimed by anyone but such right can only be exercised after the expiry of the effective period, if applicable.

**Article 157** The Company shall distribute a bonus and dividend in foreign currency or RMB pursuant to the Administrative Regulations on Foreign Exchange, the Measures for the Administration of the RMB Cross-Border Payment and Receipt and other requirements.

Unless provided otherwise in any laws or administrative regulations, the Company shall adopt the average selling rates of the relevant foreign exchange as quoted by the People's Bank of China for the calendar week before the date on which the dividends and other payments are declared to calculate the dividends and other sums which are payable in foreign currencies.

When distributing dividends to Shareholders, the Company shall withhold and turn over the tax payable on the dividend income of Shareholders based on the amount distributed and in accordance with the PRC tax laws.

### **Section III Internal Audit**

**Article 158** The Company adopts an internal audit system and has fulltime auditors to conduct internal audit and supervision on the Company's financial revenues and expenditures and economic activities.

**Article 159** The internal audit system and the duties and responsibilities of the auditors shall be subject to the approval of the Board of Directors. The person in charge of the auditing affairs shall be accountable to and report to the Board of Directors.

## CHAPTER 9 APPOINTMENT OF ACCOUNTING FIRM

**Article 160** The Company appoint an accounting firm under the relevant regulations of the Securities Law and the Hong Kong Listing Rules to audit the accounting statements, verify net assets and provide other relevant consulting services for a period of one year, which may be renewed.

**Article 161** The appointment of an accounting firm by the Company shall be subject to the decision of the Shareholders' general meeting, and the Board of Directors shall not appoint the accounting firm before the Shareholders' general meeting makes such decision.

**Article 162** The Company shall provide the appointed accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information. The Company shall not refuse to provide or hide the same or make false reports.

**Article 163** The audit fees/remuneration of an accounting firm or the manner in which such remuneration is determined shall be decided by the Shareholders' general meeting.

**Article 164** Prior to the removal or the non-renewal of the appointment of the accounting firm, an advance notice of such removal or non-renewal shall be given to the accounting firm 15 days in advance and when the Company's Shareholders' general meeting votes on the removal of the accounting firm, such firm has the right to state its opinions to the Shareholders' general meeting. Where the accounting firm resigns its post, it shall make clear to the Shareholders' general meeting whether there is any impropriety on the part of the Company.

## CHAPTER 10 NOTICE AND PUBLIC ANNOUNCEMENT

**Article 165** Notices of the Company may be given in the following ways:

- (I) in person;
- (II) by mail;
- (III) by facsimile or e-mail;
- (IV) by way of announcements;
- (V) other ways which are recognised by the relevant regulatory authorities of the place where the shares of the Company are listed or stipulated in these Articles of Association.

**Article 166** When a notice from the Company is sent out in person, the recipient of the notice shall sign (or seal) on the return receipt of delivery and the date of the recipient's signature shall be deemed to be the delivery date; when the notice of the Company is sent out by mail, the delivery date shall be forty-eight hours after such notice is delivered to the post office; when the notice of the Company is sent out by facsimile or e-mail or published on website, the delivery date shall be the date when the facsimile or email is sent out; when the notice of the Company is sent out by announcement, the delivery date shall be the first date of publication of such announcement.

**Article 167** In the event that the listing rules of the stock exchanges where the Company's shares are listed stipulate that the Company shall send, post, distribute, issue, announce or otherwise provide relevant documents of the Company in English and Chinese, and if the Company has made appropriate arrangement to confirm whether the Shareholders intend to receive either the English or the Chinese version, the Company may (as per the intent stated by the Shareholders) only send the English version or the Chinese version to the Shareholders concerned to the extent permitted by the applicable laws and regulations and these Articles of Association.

**Article 168** Failure by accidental omission to give notice of a meeting to any person entitled to notice or failure of such person to receive notice of a meeting shall not invalidate the meeting and its resolutions.

## **CHAPTER 11 MERGER, SPIN-OFF, INCREASE OR REDUCTION OF CAPITAL, DISSOLUTION AND LIQUIDATION OF THE COMPANY**

### **Section I Merger, Spin-off, Increase or Reduction of Capital**

**Article 169** The Company may conduct merger by way of absorption merger and establishment merger.

In the case of an absorption merger, one company absorbs another company and the company that has been absorbed is dissolved; in case of an establishment merger, two or more companies merger to establish a new company, and parties to the merger are dissolved.

In the Company's merger, each party thereto shall enter into a merger agreement and prepare balance sheet and property list. The company shall inform its creditors within 10 days as of the date on which the resolution of merger is made and publish it on newspaper within 30 days.

The creditors, within 30 days upon receiving such notice, or in the case of failure of receipt within 45 days as of the date of announcement, may request the Company to pay off its debts or provide corresponding guarantees.

In case of the Company's merger, the credit rights and debts of each party thereto shall be succeeded by the Company existing or newly established after the merger.

**Article 170** Where the Company spins off, its properties shall be split accordingly.

In the Company's spin-off, each party thereto shall enter into a spin-off agreement and prepare balance sheet and property list. The company shall inform its creditors within 10 days as of the date on which the resolution of spin-off is made and publish it on newspaper within 30 days.

The debts of the Company prior to the spin-off shall be jointly borne by the Company after the spin-off. However, in the case of any written agreement in respect of debts settlement reached by and between the Company and its creditors prior to the spin-off, such agreement shall prevail.

**Article 171** Where the Company finds it necessary to reduce its registered capital, it shall prepare its balance sheet and property list.

The Company shall inform its creditors within 10 days as of the date on which the resolution of reduction of registered capital is made and publish it on newspaper within 30 days. The creditors, within 30 days upon receiving such notice, or in the case of failure of receipt within 45 days as of the date of announcement, shall be entitled to request the Company to pay off its debts or provide corresponding guarantees.

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

**Article 172** Where registration matters are changed due to the Company's merger or spin-off, such changes shall be filed with the Company's registration authority in accordance with the law. In the event of dissolution, the Company shall proceed registration cancellation in accordance with the law, while in the case of establishment of new companies, the Company shall proceed the establishment registration in accordance with the law.

Where the Company increases or reduces its registered capital, the Company shall file with the Company's registration authority in accordance with laws.

## **Section II Dissolution and Liquidation of the Company**

**Article 173** The company shall dissolve and proceed liquidation in accordance with the law under any of the following circumstances:

- (I) its business terms as stipulated by these Articles of Association expire and other dissolution matters as stipulated by these Articles of Association arise;
- (II) the general meeting decides to dissolve by special resolution;
- (III) the Company needs to be dissolved due to merger or spin-off;
- (IV) its business permit is revoked and the Company is ordered to be closed or cancelled;
- (V) the Company encounters great difficulties in operation and management, in which case to exist will significantly harm the interests of Shareholders yet there are no other ways to solve it, Shareholders holding more than 10% of total voting rights in the Company may apply to the people's court to dissolve the Company.

**Article 174** Under the circumstance as stipulated in paragraph (1), the Company may continue to exist by revising these Articles of Association. When these Articles of Association are so revised, relevant amendments shall be approved by more than 2/3 of the voting rights held by the Shareholders present at the general meeting.



Where the Company dissolves under the preceding paragraphs (1), (2), (4) and (5), a liquidation group shall be established within 15 days from the date on which the dissolution event occurs. Members of the liquidation group shall consist of directors or such persons as the general meeting may determine. In the case of overdue establishment, the creditors may apply to the people's court to appoint relevant persons to form the liquidation group.

**Article 175** During the liquidation period, the liquidation committee shall exercise the following functions and powers:

- (I) to sort out the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (II) to notify creditors by notice or public announcements;
- (III) to dispose of and liquidate any unfinished businesses of the Company;
- (IV) to pay outstanding taxes and taxes incurred during the liquidation process;
- (V) to settle claims and debts;
- (VI) to deal with the remaining assets after the Company's debts having been settled in full;
- (VII) to represent the Company in any civil proceedings.

**Article 176** The liquidation committee shall within 10 days of its establishment send a notice to creditors, and within 60 days of its establishment make a public announcement on a newspaper. The creditors may declare their claims to the liquidation committee within 30 days from the date they receive such notice or within 45 days from the date of announcement if no such notice is received.

When declaring the claims, the creditors shall specify the relevant matters about the claims and provide evidence. The liquidation committee shall register such claims. During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.

**Article 177** The liquidation committee shall, after examining the Company's assets and preparing the balance sheets and an inventory of assets, formulate a liquidation plan and present it to the Shareholders' general meeting or the relevant governing authority for confirmation.

The assets of the Company shall be applied for liquidation in the following order: payment of liquidation expenses, staff wages, social insurance expenses and statutory compensation, payment of outstanding taxes, and payment of the Company's debts.

The remaining assets of the Company after repayment of its debts in accordance with the preceding provision shall be distributed to the Shareholders of the Company in proportion to their respective shareholdings.

During the liquidation period, the Company continues to exist but shall not commence any business activities other than liquidation. No assets of the Company may be distributed to the Shareholders before making repayments stipulated in the preceding paragraphs.

**Article 178** If the liquidation committee, having examined the Company's assets and having prepared a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to pay its debts in full, it shall immediately apply to the people's court for a declaration of insolvency.

After the people's court has declared the Company insolvent, the liquidation committee shall turn over any matters regarding the liquidation to the people's court.

**Article 179** Following the completion of liquidation, the liquidation committee shall prepare a report on liquidation, which shall be submitted to the Shareholders' general meeting or the people's court for confirmation, and then to the Company's registration authority and apply for cancellation of registration of the Company, and publish an announcement relating to the termination of the Company.

**Article 180** The members of the liquidation committee shall, during the course of liquidation, carry out their duties and perform their obligations in accordance with the law.

No member of the liquidation committee may take advantage of his/her position to take any bribe or any other unlawful payment, nor may he/she misappropriate any asset of the Company.

Any member of the liquidation committee who causes any loss to the Company or to any of its creditors either intentionally or due to his/her gross negligence shall be liable to compensate the affected party.

**Article 181** The Company, if adjudicated bankrupt in accordance with the law, shall be liquidated in bankruptcy in accordance with the relevant laws on bankruptcy.

## **CHAPTER 12 PROCEDURES FOR AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

**Article 182** The Company shall amend the Articles of Association in any of the following circumstances:

- (I) the provisions of the Articles of Association are in conflict with those of the Company Law or the relevant laws or administrative regulations following their amendment;
- (II) any change in the position of the Company, resulting in inconsistency with the records in these Articles of Association;
- (III) it is decided at the Shareholders' meeting to amend these Articles of Association.

**Article 183** If the amendment to the Articles of Association adopted by the resolution of the Shareholders' general meeting is subject to the examination and approval of the competent authority, they shall be reported to the competent authority for approval. Where amendment involves the registered particulars of the Company, application shall be made for alteration of registration in accordance with the laws.

**Article 184** The Board of Directors shall amend the Articles of Association in accordance with the resolution of the Shareholders' general meeting and the examination and approval opinions of relevant competent authority.

**Article 185** The amendment to the Articles of Association shall be publicly announced if it is required to be disclosed by laws and regulations.

### **CHAPTER 13 SUPPLEMENTARY PROVISIONS**

**Article 186** For the purposes of these Articles of Association, the term "accounting firm" shall have the same meaning as the term "auditor" used in the Hong Kong Listing Rules and the term "independent director" shall have the same meaning as the term "independent non-executive director" used in the Hong Kong Listing Rules.

A "de facto controller" referred to in these Articles of Association refers to a person who is not a Shareholder of the Company, but may actually affect the actions of the Company through investment relationship, agreements or other arrangements.

A "controlling Shareholder" referred to in these Articles of Association refers to any Shareholder whose shares account for more than 50% of the total share capital of the Company; any Shareholder who holds less than 50% of the shares but has enough voting rights to have a significant impact on the resolutions of the Shareholders' general meeting; or any Shareholder or other person or group of persons who is entitled to exercise, or control the exercise of 30% or more of the voting rights at the Shareholders' general meetings of the Company pursuant to the Hong Kong Listing Rules or who is in a position to control the composition of a majority of the Board of Directors of the Company.

"Related (connected) relationship" as referred to in these Articles of Association refers to any relationship between the controlling Shareholder, de facto controller, Director, Supervisor, or senior management of the Company and the enterprise directly or indirectly controlled thereby and any other relationship that may enable the transfer of any interest in the Company.

"The above" "exceeding" and "over" as referred to in these Articles of Association are inclusive of the stated figure, while "excluding" and "lower than" are not inclusive of the stated figure.

**Article 187** All notices or other documents required under Chapter 13 of Hong Kong Listing Rules to be sent by the Company to the Stock Exchange shall be in the English language, or accompanied by a certified English translation.

The Articles of Association shall be executed in Chinese. Where there are inconsistencies in these Articles of Association in any other language and these Articles of Association, the Chinese version of Articles of Association shall prevail.

**Article 188** Upon approval at the Shareholders' general meeting, these Articles of Association shall become effective.

**Article 189** The Articles of Association shall be interpreted by the Company. Any matters not covered by these Articles of Association shall be treated in the light of the actual situation of the Company pursuant to laws, administrative regulations and securities regulatory rules of the place where the Company's shares are listed. If these Articles of Association conflict with the newly enacted laws, administrative regulations and securities regulatory rules of the place where the Company's shares are listed, the latter shall prevail.

**Article 190** Appendices to the Articles of Association include procedural rules of the general meeting, procedural rules of the Board of Directors meeting and procedural rules of supervisors meeting.