

**Nongfu Spring Co., Ltd.**

# **Articles of Association**

**May 2024**

(The Articles of Association were prepared in Chinese. The English translation is not an official version and is for your reference only. In case of any inconsistencies and discrepancies between the Chinese and the English versions, the Chinese version shall prevail.)

## CONTENTS

CHAPTER I GENERAL RULES .....	1
CHAPTER II BUSINESS OBJECTIVES AND SCOPE.....	2
CHAPTER III SHARES.....	3
CHAPTER IV SHAREHOLDERS AND GENERAL MEETINGS .....	7
CHAPTER V THE BOARD .....	25
CHAPTER VI THE BOARD SECRETARY.....	32
CHAPTER VII THE GENERAL MANAGER.....	33
CHAPTER VIII SUPERVISORY COMMITTEE.....	34
CHAPTER IX QUALIFICATIONS AND OBLIGATIONS OF THE DIRECTORS, SUPERVISORS, AND SENIOR MANAGEMENT MEMBERS .....	37
CHAPTER X FINANCIAL AND ACCOUNTING POLICY, PROFIT DISTRIBUTION AND AUDIT .....	39
CHAPTER XI APPOINTMENT OF ACCOUNTING FIRM .....	41
CHAPTER XII MERGER, DIVISION, DISSOLUTION AND LIQUIDATION.....	42
CHAPTER XIII AMENDING THE ARTICLES OF ASSOCIATION .....	45
CHAPTER XIV NOTICES AND ANNOUNCEMENTS .....	46
CHAPTER XV BY-LAWS.....	48

## CHAPTER I GENERAL RULES

**Article 1** For purposes of maintaining the lawful rights and interests of Nongfu Spring Co., Ltd. (hereinafter referred to as the “Company”), shareholders and creditors and regulating the organization and conduct of the Company, the articles of association of the Company (hereinafter referred to as the “Articles of Association”) are developed in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, the Guidelines on the Bylaws of Listed Companies (hereinafter referred to as the “Guidelines on the Bylaws”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”) and provisions of other relevant laws and administrative regulations of China.

The Company is a joint stock company formed in accordance with the Company Law and other relevant provisions. The Company was established by way of promotion on June 27, 2001, as approved by the Leading Group of the Zhejiang Provincial People’s Government for Enterprise Listing with the “the Approval for the Change of Establishment of Nongfu Spring Co., Ltd.” (Zheshangshi[2001]No.33). The Company was registered with the Administration for Industry and Commerce of Zhejiang Province on June 27, 2001 and obtained a business license of enterprise legal person with the registration number 3300001007965. The current registration authority for the Company is the Administration for Industry and Commerce of Zhejiang Province. The unified social credit code of the Company is 91330000143995391Q.

The promoters of the Company include Yangshengtang Co., Ltd., Hainan Baoyi Agricultural Products Processing Co., Ltd. (海南寶益農副產品加工有限公司), Hainan Yangpu Bochuang Investment Management Co., Ltd. (海南洋浦博創投資管理有限公司), Shanghai New Century High Technology Services Ltd. and Hainan Damen Advertising Co., Ltd. (海南大門廣告有限公司).

**Article 2** The Company’s initial public offering of 388,231,800 overseas listed foreign ordinary shares (H shares) to the foreign investors was approved by the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) on July 24, 2020 and approved by the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Stock Exchange”) on September 7, 2020, and the shares have been listed on the Main Board of the Stock Exchange of Hong Kong since September 8, 2020 with a par value of RMB0.1 per share; and the Company over-allocated 58,234,600 ordinary H shares, and the shares have been listed on the Main Board of the Stock Exchange of Hong Kong since September 30, 2020 with a par value of RMB0.1 per share.

**Article 3** The Company’s registered name:

Chinese full name: 農夫山泉股份有限公司

English full name: Nongfu Spring Co., Ltd.

**Article 4** Place of domicile of the Company: Geyazhuang Road 181, Xihu District, Hangzhou; Postal code: 310024.

**Article 5** The chairman of the Board of Directors of the Company is the legal representative of the Company.

**Article 6** The Company is a joint stock company with limited liability in perpetual existence and an independent legal entity. The Company is governed and protected by the laws, administrative regulations and other relevant requirements of the PRC.

**Article 7** All the properties of the Company are divided into shares of equal value. The liability of a shareholder towards the Company is limited to the shares he/she subscribed, while the liability of the Company to its indebtedness is limited to the amount of all the assets owned by it.

**Article 8** From the effective date of the Articles of Association, the Articles of Association are legally binding documents to regulate the organization and conduct of the Company and the relations of rights and obligations between the Company and shareholders and between shareholders, and are legally binding documents upon the Company and shareholders of the Company, directors, supervisors, senior management members, all of whom may assert rights in respect of the Company's affairs in accordance with the Articles of Association.

A shareholder may take legal actions against the Company while the Company may take legal actions against its shareholders, directors, supervisors and senior management members pursuant to the Articles of Association. A shareholder may also take actions against another shareholder, the directors, supervisors, senior management members of the Company pursuant to the Articles of Association.

**Article 9** The senior management members referred to in the Articles of Association include the Company's general manager, deputy general manager, head of the finance team, secretary to the Board and other senior management recognized by the Board.

## **CHAPTER II BUSINESS OBJECTIVES AND SCOPE**

**Article 10** The business objective of the Company is: to be a modern enterprise which provides new types of services and products to meet the new demands of customers in the process of improving their lives; to establish the leading position of Nongfu Spring brand through continuous competition and improvement in operation and innovation, and to reward its investors by achieving high profitability in the industry.

**Article 11** The business scope of the Company shall be subject to the items approved by the Company registration authority.

As legally registered, the scope of business of the Company: production and sales of natural water, beverages and packaging bottles (for branches only); sales of food (subject to licenses), articles of daily use and textiles; procurement and sales of fruits and vegetables; delivery service; technological development, technical consultation, and technical services of food and bioengineering; industrial

investment, import and export business, information technology services, freight forwarding, warehousing services (except for hazardous products); sales, lease, installation, maintenance and operation management of mechanical equipment and vending machines; after-sales services and relevant technical consulting and technology promotion services; corporate marketing planning and relevant consulting services; design, produce, and publish various domestic advertisements; property rentals, sales and management (subject to licenses); property information consulting services, catering services (subject to licenses), water and electricity installation and maintenance, management of swimming pools (subject to licenses), sports venues and hotels.

## **CHAPTER III SHARES**

### **Section 1 Issue of Shares**

**Article 12** Shares of the Company are in the form of share certificates. All shares issued by the Company are shares with par value, which shall have a par value of RMB0.1 per share. RMB mentioned in the preceding paragraph refers to the lawful currency of the People's Republic of China.

**Article 13** The Company shall issue shares in an open, fair, and just principle, and each share of the same class shall have equal rights.

The issuing conditions and price for each share of the same class issued at the same time shall be the same and each share subscribed for by any entity or individual shall be subscribed at the same price.

The ordinary shares issued by the Company comprise domestic shares and overseas listed shares (H shares), and the domestic shares and overseas listed shares shall have the same rights in any distribution of dividends (including cash and in-kind distributions) or other forms of distributions.

**Article 14** The domestic shares issued by the Company shall be centrally deposited at domestic securities registration and clearing organisations that comply with the relevant requirements. The overseas listed shares issued by the Company are mainly held in custody at securities registration and clearing organisations in Hong Kong, and may also be held by shareholders in their personal capacity.

Upon filed with the CSRC and consent of the Stock Exchange, all or part of the company's domestic shares can be converted into overseas listed shares, and the converted overseas listed shares can be listed and traded on overseas stock exchanges. The converted shares should also comply with the regulatory procedures, regulations, and requirements of the overseas securities market.

Where non-listed domestic shares to be converted into overseas listed shares and traded on overseas stock exchanges, voting at the general meeting is not required.

**Article 15** Upon approval by the company licensing authority authorized by the State Council, the total number of ordinary shares that the Company issued on the date of the establishment is 147,000,000 shares, the capital contribution is in the form of net assets and the capital contribution is made on April 28, 2001. At the time of the change of organization form of the Company from limited

liability company into joint stock company, the par value of shares was RMB1 each. Details of names and shareholdings of the Promoter and the percentages are as follows:

No.	Name of Promoter	Shareholding (‘0,000 shares)	Percentage
1	Yangshengtang Co., Ltd.	9,030	61.43%
2	Hainan Baoyi Agricultural Products Processing Co., Ltd. (海南寶益農副產品加工有限公司)	3,412.5	23.21%
3	Hainan Yangpu Bochuang Investment Management Co., Ltd. (海南洋浦博創投資管理有限公司)	1,470	10%
4	Shanghai New Century High Technology Services Ltd.	735	5%
5	Hainan Damen Advertising Co., Ltd. (海南大門廣告有限公司)	52.5	0.36%
	<b>Total</b>	<b>14,700</b>	<b>100%</b>

**Article 16** Subject to the approval by CSRC, the Company may issue up to 1,380,000,000 overseas listed foreign shares, all being common shares with par value of RMB0.1 each.

As approved by the CSRC, Yangshengtang Co., Ltd. converts 1,303,252,410 non-listed domestic shares held by it in the Company into overseas listed shares (H shares), and all shareholders other than Yangshengtang Co., Ltd. convert non-listed domestic shares held by them in the Company into overseas listed shares (H shares).

Upon the completion of the issuance of the above overseas listed foreign shares (after the exercise of the over-allotment option) and the conversion of non-listed domestic shares into overseas listed shares (H shares), the share capital structure of the Company is as follows: there are 11,246,466,400 ordinary shares, including 6,211,800,000 domestic shares and 1,303,252,410 overseas listed shares converted from domestic shares, which are held by Yangshengtang Co., Ltd., the promoter; and 3,731,413,990 other overseas listed shares (including 3,284,947,590 overseas listed shares converted from domestic shares).

The total shares of the Company are 11,246,466,400, and the equity structure of the Company is as follows: 6,211,800,000 shares are held by domestic shareholders, accounting for 55.23% of the total ordinary shares; and 5,034,666,400 shares are held by H-shareholders, accounting for 44.77% of the total ordinary shares.

**Article 17** The Company’s registered capital is RMB 1,124,646,640.

**Article 18** The Company or its subsidiary companies (including enterprises affiliated to it) shall not, in the form of grants, advances, guarantees, compensations or loans, among others, provide any

assistance to purchasers or potential purchasers of the Company's shares, except for the implementation of employee stock ownership plans of the Company.

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

**Article 19** Pursuant to the requirement of the law, regulation, and the listing rules of the place where the Company's shares are listed, the Company may, subject to its business operation and development requirements, approve an increase in its capital in accordance with the relevant provisions of the Articles of Association upon separate resolution by the general meeting.

The Company may increase its capital by the following means:

- (I) public offering of shares;
- (II) non-public offering of shares;
- (III) issue of stock dividends to existing shareholders;
- (IV) capitalization of capital reserve fund;
- (V) other methods permitted by laws and administrative regulations and approved by the CSRC and the Stock Exchange.

Any increase in capital of the Company by way of issuing new shares shall be subject to approval under the Articles of Association and the listing rules of the place where the Company's shares are listed, and completion of the relevant procedures as prescribed by the relevant laws, administrative regulations of the PRC and the listing rules of the place where the Company's shares are listed.

**Article 20** The Company may reduce its registered capital. Where the Company reduces its registered capital, procedures shall be made in accordance with the Company Law and other relevant requirements and the Articles of Association.

**Article 21** The company shall not purchase its own shares, except under any of the following circumstances:

- (I) reduces the Company's registered capital;
- (II) merging with other company which holds its shares;
- (III) using shares for employee stock ownership plans or equity incentives;
- (IV) requesting the Company to acquire shares held by shareholders who vote against any resolution proposed in any shareholders' general meeting on the merger or separation of the Company;

(V) utilizing shares for conversion of corporate bonds issued by the Company which are convertible into shares;

(VI) manner as necessary for maintenance of the Company's value and shareholders' interests.

**Article 22** The Company may purchase its shares in the manner of centralized public trading, or other methods approved by laws, and administrative regulations and the CSRC and the Stock Exchange.

Where the Company purchases its shares under the circumstance set forth in items (III), (V) or (VI), paragraph 1 of Article 21 of the Articles of Association, it shall conduct trading in the manner of centralized public trading.

**Article 23** Where the Company purchases its shares for the purposes of items (I) and (II), paragraph 1 of Article 21 of the Articles of Association, it shall obtain approval at the general meeting by way of resolution. Where the Company purchases its shares for the purposes of items (III), (V) or (VI), paragraph 1 of Article 21 of the Articles of Association, it shall obtain approval of more than two-thirds of the directors present at the board of directors of the Company (hereinafter referred to as the "Board") meeting by way of resolution as stipulated in the Articles of Association or authorized by the general meeting.

After the Company purchases its shares pursuant to paragraph 1 of Article 21 of the Articles of Association, it shall, under the circumstance as mentioned in item (I), cancel such shares within 10 days from the date of acquisition; while under either circumstance as mentioned in items (II) and (IV), transfer or cancel such shares within six months; while under any of the circumstances as mentioned in items (III), (V) or (VI), the aggregate number of shares of the Company held by itself shall not exceed 10% of its total shares in issue and the Company shall transfer or cancel such shares within three years.

After purchasing its shares, the Company shall fulfil its information disclosure obligations in accordance with the relevant provisions of laws, administrative regulations, rules and regulations, regulatory documents and the Hong Kong Listing Rules. Where the relevant regulatory rules of the places where the Company's shares are listed provide otherwise in respect of matters relating to share repurchases, such provisions shall apply accordingly.

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

**Article 24** The shares of the Company may be transferred according to the law.

**Article 25** The Company shall not accept the shares of the Company as the subject matter of pledge.

**Article 26** Shares of the Company held by promoters shall not be transferred within one 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 one year from the date on which the shares of the



Company are listed and traded on a stock exchange. Where laws, administrative regulations or the securities regulatory authorities of the State Council make other provisions on the transfer of shares held by shareholders or actual controllers of a company, such provisions shall apply.

Directors, supervisors and senior management members of the Company shall report to the Company their shareholdings in the Company and changes therein and shall not transfer annually during their terms of office more than 25% of the total number of shares of the same class of the Company which they hold; the shares of the Company held by them shall not be transferred within one year from the date on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer the shares of the Company held by them within six months from the date of their leaving the Company.

## **CHAPTER IV SHAREHOLDERS AND GENERAL MEETINGS**

### **Section 1 Shareholders**

**Article 27** The Company establishes a register of shareholders in accordance with certificates from the share registrar, and the shareholders' register is a sufficient evidence of the shareholders' shareholdings in the Company. Shareholders shall have rights and obligations according to the class of shares held by them; and shareholders holding the same class of shares shall have the same rights and obligations.

**Article 28** When the Company convenes a general meeting, distributes dividends, commences liquidation, or participates in other activities requiring the identification of shareholdings, the convener of the Board or the convener of the general meeting shall decide the record date. The shareholders whose names appear on the register of shareholders after the market is closed on the record date shall be entitled to the relevant rights.

**Article 29** If a holder of overseas listed shares loses his/her share certificate and applies for a replacement share certificate, it may be dealt with in accordance with the laws, regulations, the rules of the stock exchange or other relevant requirements of the place where the original register of shareholders of overseas listed shares is maintained.

**Article 30** The shareholders of the Company shall enjoy the following rights:

(I) the right to receive dividends and other profit distributions in proportion to their shareholdings;

(II) the right to request, convene, preside, attend or appoint proxies to attend general meetings lawfully and to exercise the corresponding voting rights;

(III) the right to supervise the operation of the Company, to present proposals or to raise enquires;

(IV) the right to transfer, gift or pledge shares in accordance with laws, administrative regulations, the listing rules of the place where the shares are listed and provisions of the Articles of Association;

(V) the right to consult the Articles of Association, the register of shareholders, the stubs of corporate bonds, the minutes of the general meetings, the minutes of the meetings of the Board, the minutes of the meetings of the supervisory committee of the Company (hereinafter referred to as the “Supervisory Committee”), and the financial accounting reports of the Company;

(VI) in the event of the termination or liquidation of the Company, the right to participate in the distribution of remaining assets of the Company in accordance with the shareholdings;

(VII) with respect to shareholders who vote against any resolution adopted at the shareholders’ general meeting on the merger or division of the Company, the right to demand the Company to buy back their shares;

(VIII) other rights under laws, administrative regulations, departmental rules the listing rules of the place where the Company’s shares are listed or the Articles of Association.

**Article 31** To consult the relevant information as mentioned in the preceding article or request the relevant materials, a shareholder shall provide the Company with written documents proving the class and number of shares of the Company held by it, and the Company shall provide the information or materials as requested after verifying the shareholder’s identity.

**Article 32** Where the contents of a resolution of the general meeting or a meeting of the Board violate any law or administrative regulation, shareholders shall have the right to request the people’s court to hold it void.

Where the convening procedure or voting method of the general meeting or the meeting of the Board violates any law or administrative regulation or Articles of Association, or the contents of a resolution thereof violate the Articles of Association, shareholders shall have the right to, within 60 days after the resolution is made, request the people’s court to revoke the resolution. However, the exceptions are when there is only a minor defect in the procedures for convening the general meeting or the Board or in the manner of voting, which does not materially affect the resolution.

**Article 33** Where a director or a senior management member violates any law or administrative regulation or the Articles of Association in executing his or her duties in the Company, causing losses to the Company, a shareholder holding or the shareholders aggregately holding 1% or more of the shares of the Company for 180 consecutive days or more shall have the right to request the Supervisory Committee in writing to institute an action in the people’s court. Where the Supervisory Committee violates any law or administrative regulation or the Articles of Association in performing its duties in the Company, causing losses to the Company, shareholders may request the Board in writing to institute an action in the people’s court.

Where the Supervisory Committee or the Board refuses to institute an action after receiving a written request from shareholders as mentioned in the preceding paragraph or fails to institute an action within 30 days after receiving the written request, or under urgent situations, a failure to immediately institute an action will result in irreparable damage to the interests of the Company, the shareholder or shareholders as mentioned in the preceding paragraph shall have the right to directly institute an action in the people's court in the name of the shareholder or shareholders for the sake of the Company.

Where any other person infringes upon the lawful rights and interests of the Company, causing losses to the Company, the shareholder or shareholders as mentioned in paragraph 1 of this article may institute an action in the people's court under the preceding two paragraphs.

**Article 34** Where a director or a senior management member violates any law or administrative regulation or the Articles of Association, causing damage to the interests of any shareholder, the shareholder may institute an action in the people's court.

**Article 35** The shareholders of the Company shall have the following obligations:

(I) to comply with the laws, administrative regulations, the listing rules of the place where the Company's shares are listed and the Articles of Association;

(II) to make capital contribution for the shares subscribed for in the prescribed method of subscription;

(III) not to withdraw contributions for shares, except as permitted by any law or regulation;

(IV) not to abuse their rights as shareholders to jeopardize the interests of the Company or other shareholders; not to abuse the status of the Company as an independent legal person; and not to abuse the limited liability of shareholders to jeopardize the interests of any creditors of the Company;

(V) to fulfill other obligations as stipulated by the laws, administrative regulations, the listing rules of the place where the Company's shares are listed and the Articles of Association.

Any shareholder causing losses to the Company or other shareholders by abusing a shareholder's rights shall assume compensatory liability according to the law. Any shareholder causes serious damage to the interests of creditors of the Company by abusing the Company's independent corporate status and a shareholder's limited liability to evade debts shall be jointly and severally liable for the debts of the Company.

**Article 36** Where a shareholder holding 5% or more of voting shares of the Company pledges its shares, it shall submit a written report to the Company on the day when the event occurs.

**Article 37** The controlling shareholder or actual controller of the Company may not damage the interests of the Company by taking advantage of its affiliation. Where it violates the relevant provisions and causes losses, it shall assume compensatory liability.

The controlling shareholder or actual controller of the Company shall have a duty of good faith to the Company and the holders of the publicly traded shares of the Company. The controlling shareholder shall exercise its investor's rights in strict accordance with the law, and may not damage the lawful rights and interests of the Company and the holders of the publicly traded shares by taking advantage of profit distribution, asset restructuring, external investment, funds appropriation, and loan guarantee, among others or damage the interests of the Company and the holders of the publicly traded shares by taking advantage of its controlling status.

## **Section 2 General Provisions on The General Meetings**

**Article 38** The general meeting is the organ of authority of the Company, which exercises the following powers in accordance with laws:

- (I) to elect or replace the non-employee representative directors and to decide on matters relating to the remuneration of such directors;
- (II) to elect or replace the non-employee representative supervisors and to decide on matters relating to the remuneration of such supervisors;
- (III) to consider and approve reports of the Board;
- (IV) to consider and approve reports of the Supervisory Committee;
- (V) to consider and approve the Company's profit distribution plans and loss recovery plans;
- (VI) to decide on any increase or reduction of the Company's registered capital;
- (VII) to decide on the Company's issuance of bonds;
- (VIII) to decide on matters such as merger, division, dissolution, liquidation or change of corporate form of the Company;
- (IX) to decide on the engagement, dismissal of accounting firms by the Company;
- (X) to amend the Articles of Association;
- (XI) to deliberate and approve the guarantee matters as mentioned in Article 39 of the Articles of Association;
- (XII) to consider and approve matters relating to the purchases, disposals of material assets, which are more than 30% of the latest audited total assets, within one year;

(XIII) to examine the transactions of which the percentage is not lower than 25% (including one-off transactions as well as series of transactions of which the percentage shall be calculated jointly) and all the related transactions of which the percentage is not lower than 5% (including one-off transactions as well as series of transactions of which the percentage shall be calculated jointly) with percentage rates of not less than 25% and 5% respectively in accordance with Rule 14.07 of the Hong Kong Listing Rules;

(XIV) to deliberate and approve matters concerning the changes of uses of the proceed raised;

(XV) to review the equity incentive plans and employee stock ownership plans;

(XVI) to consider other matters required to be resolved by the shareholders' general meeting pursuant to laws, regulations, the rules of securities regulatory authorities in the place where the Company's shares are listed and the Articles of Association.

“Within one year” refers to “within one financial year”.

**Article 39** Under the following circumstances, the external guarantees of the Company must be deliberated and adopted at the general meetings:

(I) guarantees provided after the total amount of external guarantees provided by the Company and its controlled subsidiary companies exceeds 50% of the Company's audited consolidated net assets of the last period;

(II) guarantees provided after the total amount of external guarantees provided by the Company and its controlled subsidiary companies exceeds 30% of the Company's audited consolidated total assets of the last period;

(III) according to the principle of cumulative calculation of the guarantee amount within twelve consecutive months, guarantees provided by the Company and its controlled subsidiary companies within one year exceed 30% of the Company's audited consolidated total assets of the last period;

(IV) guarantees provided by the Company and its controlled subsidiary companies for a party whose liability-asset ratio exceeds 70%;

(V) a single guarantee provided by the Company and its controlled subsidiary companies which exceeds 10% of the Company's audited consolidated net assets of the last period;

(VI) guarantees provided by the Company and its controlled subsidiary companies for shareholders, the actual controller, and the affiliates thereof;

(VII) other external guarantees that meet the requirements of laws, regulations, regulatory documents and the listing rules of the places where the Company's shares are listed, which are

subject to the consideration and approval of the general meetings before they can be put into effect.

When the general meetings deliberate on the guarantees mentioned in item (III) above of this Article, it shall be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

Where the Company provides guarantees for a wholly-owned subsidiary or provides guarantees for a controlling subsidiary and the other shareholders of the controlling subsidiary provide guarantees in the same proportion according to the interests enjoyed by them, which is not detrimental to the interests of the Company, the Company may waive the application of the provisions of items (I), (IV) and (V) above of this Article, unless otherwise provided by laws, regulations, the listing rules of the places where the Company's shares are listed and the Articles of Association.

Directors and senior management members who have acted in violation of laws, administrative regulations or the provisions of the Articles of Association relating to the approval authority and deliberation procedures in respect of matters of external guarantees, and have caused losses to the Company, shall be liable for compensation and the Company may institute legal proceedings against them in accordance with the law.

**Article 40** Where the company provides guarantee for the shareholders or actual controllers of the company, the resolution shall be passed by the shareholders' meeting.

When the general meeting of shareholders is deliberating the proposal to provide guarantee for the shareholder or the actual controller, the shareholder or the shareholder controlled by the actual controller shall not participate in the voting of the matters specified in the preceding paragraph. The vote shall be adopted by more than half of the voting rights held by other shareholders present at the meeting.

**Article 41** Unless the Company is under exceptional circumstances such as crisis, the Company shall not enter into contracts with any person (other than a director, and senior management members) in relation to handover of the administration of all business or the important business of the Company to that person without the pre-approval of the general meeting.

**Article 42** The general meetings consist of annual general meetings and extraordinary general meetings. The general meetings shall be convened by the Board. The annual general meeting shall hold once every year within six months from the end of the preceding financial year.

**Article 43** The Company shall convene an extraordinary general meeting within two months upon the occurrence of any of the following events:

(I) when the number of directors is less than the number stipulated in the Company Law or less than two-thirds of the number specified in the Articles of Association;

(II) when the unrecovered losses of the Company amount to one-third of the total amount of its paid-up share capital;

(III) at the request of shareholders who individually or collectively hold more than 10% of the Company's shares;

(IV) when deemed necessary by the Board;

(V) when proposed by the Supervisory Committee;

(VI) when proposed by two or more independent non-executive directors;

(VII) any other circumstances stipulated by laws, administrative regulations, departmental regulations, the listing rules of the stock exchange where the Company's shares are listed or the Articles of Association.

The shareholding mentioned in subsection (III) is calculated on the date of notice of general meeting. However, prior to the announcement of the resolutions approved at the general meeting, the number of the Company's shares individually or jointly held by the shareholders mentioned in subsection (III) shall not be lower than 10% of the total number of the Company's shares with voting rights; should the shareholding is less than 10%, resolutions passed at the extraordinary general meeting would become invalid.

**Article 44** The Company shall hold its general meetings either at its domicile or other place designated by the convener of the shareholders' general meeting.

A meeting venue will be set up for the shareholders' general meetings and meetings shall be held in the form of on-site meeting. The Board of the Company may, according to the specific circumstances and in accordance with the provisions of laws, administrative regulations, the securities regulatory authority of the place where the Company's shares are listed, the listing rules of the places where the Company's shares are listed or the Articles of Association, where applicable, adopt online voting or other voting methods to facilitate the shareholders' participation in the shareholders' general meeting. Shareholders who attend the shareholders' general meeting in the above-mentioned manner shall be deemed to be present at the meeting.

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

**Article 45** Independent non-executive directors shall have the right to propose an extraordinary general meetings to the Board. For such a proposal, the Board shall, in accordance with laws, administrative regulations and the Articles of Association, issue a written affirmative or negative opinion within 10 days after receiving the proposal. If the Board agrees to hold the meeting, it shall issue a notice of holding the general meetings within five days after a resolution is made at a meeting of the Board; or if the Board disagrees to hold the meeting, it shall explain the reasons and announce it.

**Article 46** The Supervisory Committee shall have the right to propose an extraordinary general meetings to the Board, but shall propose it in writing. The Board shall, in accordance with laws,

administrative regulations and the Articles of Association, issue a written affirmative or negative opinion within 10 days after receiving the proposal.

If the Board agrees to hold the meeting, it shall issue a notice of holding the general meetings within five days after the Board resolution is made, but any modification to the original proposal in the notice shall be subject to the consent of the Supervisory Committee.

If the Board disagrees to hold the meeting or no feedback is provided within 10 days after the proposal is received, it shall be deemed that the Board is unable to perform or fails to perform the duty of convening the extraordinary general meeting, and the Supervisory Committee may convene and preside over the meeting on its own initiative.

**Article 47** A shareholder holding or shareholders aggregately holding 10% or more of the shares of the Company shall have the right to file a request for the holding of an extraordinary general meetings with the Board, but shall request it in writing. The Board shall, in accordance with laws, administrative regulations and the Articles of Association, issue a written affirmative or negative opinion within 10 days after receiving the request.

If the Board agrees to hold the meeting, the Board shall issue a notice of holding the general meetings within five days after the Board resolution is made, but any modification to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Board disagrees to hold the meeting or no feedback is provided within 10 days after the request is received, the shareholder holding or shareholders aggregately holding 10% or more of the shares of the Company shall have the right to propose the holding of an extraordinary general meeting to the Supervisory Committee, but shall request it in writing.

If the Supervisory Committee agrees to hold the meeting, it shall issue a notice of holding the general meetings within five days after receiving the request, but any modification to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Supervisory Committee fails to issue a notice of holding the general meetings within the prescribed time limit, it shall be deemed that the Supervisory Committee fails to convene and preside over the general meetings, and a shareholding holding or shareholders aggregately holding 10% or more of the shares of the Company for 90 consecutive days may convene and preside over the meeting on its or their own initiative.

**Article 48** After deciding to convene the general meetings on its or their own initiative, the Supervisory Committee or a shareholder or shareholders must notify the Board in writing.

Before the resolution of the general meetings is announced, the shares held by the convening shareholder or shareholders may not be less than 10%.



**Article 49** The Board and the secretary to the Board (the “Board Secretary”) shall cooperate with a meeting convened by the Supervisory Committee or a shareholder or shareholders on its or their own initiative. The Board will provide the register of shareholders at the record date.

**Article 50** The expenses needed for the general meeting convened by the Supervisory Committee or a shareholder or shareholders on its or their own initiative shall be assumed by the Company.

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

**Article 51** The contents of a proposal shall be within the scope of functions of the general meetings, have specific topics for discussion and matters for resolution, and comply with laws, administrative regulations and the Articles of Association.

**Article 52** At the general meetings, the Board, the Supervisory Committee, and a shareholder holding or shareholders aggregately holding 3% or more of the shares of the Company shall have the right to submit proposals.

When the Company convenes a shareholders’ general meeting, the shareholders who individually or jointly, hold more than 3% of the total number of voting shares of the Company, have the right to put forward a new proposal in written form to the Company and submit it to the convener not less than 10 days before the shareholders’ general meeting is held. The convener of the shareholders’ general meeting shall, within 2 days after receiving the proposal, issue a supplementary notice of the shareholders’ general meeting, announce the contents of the interim proposal to inform other shareholders and submit the interim proposal to the shareholders’ general meeting for deliberation.

Except under the circumstances in the preceding paragraph, after publishing a notice of holding the general meetings, the convener may not amend any proposal specified in the notice or add any new proposal.

Any proposal not specified in the notice of holding the general meetings or not complying with Article 51 of the Articles of Association may not be voted and resolved at the general meetings.

**Article 53** The convener of the annual general meeting will notify all shareholders by announcement 21 days before the meeting is held. The convener of the extraordinary general meeting will notify all shareholders by announcement 15 days before the meeting is held. The Company shall not include the day on which the meeting is convened in calculating the starting time limit, but the day on which the notice is given shall be included.

**Article 54** A notice of holding the general meetings shall include the following:

- (I) the time, place and duration of the meeting;
- (II) the matters and proposals submitted to the meeting for deliberation;

(III) a statement in conspicuous characters that: all common shareholders have the right to attend the general meetings and may attend the meeting and vote by proxy in writing, and proxies are not necessarily shareholders of the Company;

(IV) the date of record of shareholders entitled to attend the general meetings;

(V) the name and telephone number of the permanent liaison for meeting affairs;

(VI) voting time and voting procedures by online or other means.

No extraordinary general meeting shall resolve matters not stipulated in the notice.

**Article 55** Where matters concerning the election of directors or supervisors are to be deliberated at the general meetings, detailed information on the candidates shall be disclosed in the notice of holding the general meetings, including at a minimum the following:

(I) personal information, such as educational background, working experience, and part-time jobs, etc;

(II) whether they are connected to the Company or the controlling shareholder or actual controller of the Company;

(III) the numbers of shares of the Company held by them;

(IV) whether they have been punished by the CSRC or any other relevant authorities or disciplined by a stock exchange.

Unless the directors or supervisors are elected by the cumulative voting system, a single proposal shall be made for each director or supervisor candidate.

**Article 56** After a notice of holding the general meetings is issued, without good reasons, the general meetings shall not be postponed or cancelled, and any proposal listed in the notice shall not be cancelled. If any circumstance for postponement or cancellation of the meeting occurs, the convener shall announce it and explain the reasons two working days at a minimum before the original date of holding the general meetings.

### **Section 5 Holding of General Meetings**

**Article 57** The Board or any other convener of the Company shall take necessary measures to guarantee the normal order of the general meetings, take measures to prevent acts of disrupting the general meeting, provoking troubles, or damaging the lawful rights and interests of shareholders, and promptly report them to the relevant authorities for investigation and punishment.

**Article 58** All shareholders registered at the record date or their proxies shall have the right to attend the general meetings, and exercise voting rights in accordance with the relevant laws and regulations and the Articles of Association.

Shareholders may attend the general meetings in person or attend and vote at the meeting by proxy.

**Article 59** When personally attending the general meetings, an individual shareholder shall produce his or her identity card or any other valid identification or certificate that can prove his or her identity and stock account card. When he or she attends the meeting by proxy, the proxy shall produce his or her valid identification and a power of attorney issued by the shareholder.

The legal representative of a corporate shareholder shall attend the meeting in person or by proxy. When personally attending the meeting, the legal representative shall produce his or her identity card and a valid certificate on his or her qualification as the legal representative; when he or she attends the meeting by proxy, the proxy shall produce his or her identity card and a written power of attorney legally issued by the legal representative of the corporate shareholder.

**Article 60** The power of attorney issued by a shareholder to authorize another person to attend the general meetings on its behalf shall include the following:

- (I) the name of the proxy;
- (II) whether the proxy has voting rights;
- (III) instructions on voting for or against or abstain on each matter to be deliberated as listed on the agenda of the meeting;
- (IV) the date of issuance and validity period of the power of attorney;
- (V) the signature (or seal) of the shareholder. If the shareholder is a corporate shareholder, the seal of the corporate entity shall be affixed to the power of attorney.

**Article 61** If the proxy form for voting is signed by a person authorized by the appointor, the powers of attorney or other instruments of authorization shall be notarized. The powers of attorney or other instruments of authorization so notarized shall be deposited at the domicile of the Company or such other place as the notice of meeting may specify at the same time as the proxy form for voting is so deposited.

If the appointor is a legal person, such shareholder shall be represented at the general meeting of the Company by its legal representative or the person authorized by its Board of Directors or other decision-making body of such appointor.

**Article 62** The proxy form for voting should indicate that whether the proxy may vote at his/her discretion if no instructions have been given by the shareholder.

**Article 63** A vote given by the proxy in accordance with the proxy form shall be valid notwithstanding the death or loss of capacity of the appointor or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given before the voting, provided that no notice in writing of such matters shall have been received by the Company before the commencement of the meeting.

**Article 64** The register of attendees of meeting shall be prepared by the Company. The register shall contain the name or the name of the organization, identity card number, residence address, and domicile of each attendee, the number of voting shares held or represented, and the name or the name of the organization of the shareholder represented, among others.

**Article 65** The convener and the lawyer retained by the Company or relevant institutions such as the H share transfer registrars (if any) shall jointly verify the legal eligibility of shareholders based on the register of shareholders provided by the Securities Depository and Clearing Institution, and register the names of shareholders and the numbers of voting shares held by them. The meeting registration shall be terminated before the presider over the meeting announces the number of shareholders and proxies attending the meeting and the total number of voting shares held by them.

**Article 66** When the general meetings is held, all directors and supervisors and the Board Secretary of the Company shall attend the meeting, and the general manager and other senior management members shall observe the meeting.

**Article 67** The chairman of the Board shall preside over the general meetings. Where the chairman of the Board is unable or fails to execute his or her duties, a director jointly recommended by a majority of all directors shall preside over the meeting.

The chairman of the Supervisory Committee shall preside over the general meeting convened by the Supervisory Committee on its own initiative. Where the chairman of the Board is unable or fails to execute his or her duties, a supervisor jointly recommended by a majority of all supervisors shall preside over the meeting.

Where a shareholder on its own initiative or shareholders on their own initiative convene the general meetings, the representative recommended by the convener or conveners shall preside over the meeting.

Where the presider violates the rules of procedure during the course of the general meetings, which makes it impossible for the meeting to continue, upon consent of a majority of the voting shareholders attending the meeting, the meeting may recommend one person as the presider to continue the meeting.

**Article 68** The Company shall develop the rules of procedures for general meetings to detail the procedures for holding and voting at general meetings, including notices, registration, proposal deliberation, casting and counting of ballots, announcement of voting results, formation of resolutions, meeting minutes and the signing thereof, announcements, principles for the general meeting to

delegate powers to the Board and specific content of authorization. The rules of procedure for general meetings, as drafted by the Board and approved by the general meetings, shall be attached to the Articles of Association.

**Article 69** At an annual general meetings, the Board and the Supervisory Committee shall report their respective work in the prior year to the general meetings.

**Article 70** Except for those involving the Company's commercial secrets which cannot be disclosed at the general meetings, directors, supervisors and senior management members shall respond to inquiries and recommendations from shareholders at the general meetings by providing explanations or statements.

**Article 71** The presider shall, before voting, announce the number of shareholders and proxies attending the meeting and the total number of voting shares held by them, as verified in the meeting registration.

**Article 72** The general meetings shall have meeting minutes, which shall be prepared by the Board Secretary.

The meeting minutes shall record the following:

- (I) the time, place, and agenda of the meeting and the name of the convener;
- (II) the names of the presider and the directors, supervisors, senior management members attending or observing the meeting;
- (III) the number of shareholders and proxies attending the meeting and the total number of the voting shares held by them and its proportion to the total shares of the Company;
- (IV) the deliberation process, the key points of speeches and the voting results of each proposal;
- (V) the inquiries or recommendations from shareholders and the corresponding replies or statements;
- (VI) the scrutiny organisation (if any) and names of the lawyer and the ballot counter and supervisor;
- (VII) others recorded in the meeting minutes as required by the Articles of Association.

**Article 73** The convener shall ensure that the contents of the meeting minutes are true, accurate and complete. The directors, supervisors, the Board Secretary, and convener or their proxies attending the meeting and the presider of the meeting shall affix their signatures to the meeting minutes. The meeting minutes shall be retained, together with the signature book of shareholders attending the

on-site meeting, the powers of attorney for proxies, and the valid documentation on online or other voting, for 10 years or more.

**Article 74** Convener shall ensure that the general meeting is held without interruption until the final resolutions are formed. Where the general meetings is suspended or no resolution may be made for a force majeure or any other special reason, necessary measures shall be taken to resume the meeting as soon as possible, or the meeting shall be directly terminated, and an announcement or report (if needed) shall be published in a timely manner in accordance with the law, regulations or the listing rules of the places where the Company's shares are listed.

### **Section 6 Voting and Resolution at General Meetings**

**Article 75** Resolutions of a general meeting are classified into ordinary resolutions and special resolutions.

Ordinary resolutions of a general meeting shall be passed by shareholders in attendance (including proxies) holding at least a majority of the voting rights.

Special resolutions of a general meeting shall be passed by shareholders in attendance (including proxies) holding at least two-thirds of the voting rights.

**Article 76** When matters concerning connected transactions are deliberated at the general meetings, connected shareholders shall not vote, and the number of voting shares represented by them shall not be counted in the total number of valid votes.

Prior to the consideration of connected transactions at the general meetings, the Company shall determine the scope of connected shareholders in accordance with the relevant laws and regulations of the State, the listing rules of the places where the Company's shares are listed, and the regulatory requirements of the securities regulatory authorities of the places where the Company's shares are listed. The connected shareholders or their authorised representatives may attend the general meetings and may explain their views to the shareholders present in accordance with the procedures of the meeting, but shall abstain from voting. When the general meetings resolves on matters relating to connected transactions, the connected shareholders shall take the initiative to disqualify themselves from voting; if the connected shareholders do not take the initiative to disqualify themselves from voting, the other shareholders attending the meeting shall have the right to request the connected shareholders to disqualify themselves from voting.

After the connected shareholder has recused himself/herself, the other shareholders shall vote in accordance with his/her voting rights and pass the corresponding resolution in accordance with the provisions of the Articles of Association; the presiding officer of the general meetings shall notify the connected shareholders of the recusal of the connected shareholders and the voting procedures, which shall be recorded in the minutes of the meeting.

To be valid, a resolution on a connected transaction at the general meetings must be passed by a majority of the voting rights held by the unconnected shareholders present at the general meetings.

However, if the connected transaction involves matters requiring special resolution as provided for in the Articles of Association, the resolution of the general meetings shall be valid only if it is passed by more than two-thirds of the voting rights held by the unrelated shareholders present at the general meetings. Where an announcement is involved, the announcement of the resolution of the general meetings shall fully disclose the voting status of the unrelated shareholders.

**Article 77** Shareholders (including their proxies) who vote at a general meeting shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share. However, the shares held by the Company itself do not have voting rights, and such shares are not included in the total number of shares with voting rights attending the general meeting.

**Article 78** Where applicable laws and regulations or the listing rules of the places where the Company's shares are listed requires any shareholder to abandon his or her voting on specific resolution or restricts any shareholder to vote for or against specific resolution, any vote of the shareholder or his or her proxy against the relevant requirement or restriction shall not be included.

**Article 79** The following matters shall be passed as ordinary resolutions in a general meeting:

- (I) work reports of the Board and the Supervisory Committee;
- (II) profit distribution plans and loss recovery plans proposed by the Board;
- (III) appointment and dismissal of non-employee representative directors and non-employee representative supervisors and their remuneration and payment methods;
- (IV) annual reports of the Company;
- (V) matters which shall be approved by a general meeting other than those required to be passed as special resolutions pursuant to laws, administrative regulations, listing rules of the places where the Company's shares are listed or the provisions of the Articles of Association.

**Article 80** The following matters shall be passed as special resolutions in a general meeting:

- (I) increase or reduction in the registered capital of the Company;
- (II) division, splitting, merger, dissolution and liquidation;
- (III) amendments to the Articles of Association;
- (IV) the purchase, sale of material assets or guarantee provide to others within one year which accounts for more than 30% of the audited total assets of the Company in the latest period;
- (V) equity incentive plans;

(VI) other matters specified by laws, administrative regulations, listing rules of the places where the Company's shares are listed, or the Articles of Association and matters specified by ordinary resolutions of a general meeting that are considered to be significant to the Company and shall be passed as special resolutions.

The above-mentioned "within one year" means "within one fiscal year".

**Article 81** The list of candidates for directors and supervisors shall be submitted to the general meetings for voting by way of a proposal.

When the director or supervisor election is voted at the general meetings, the cumulative voting system may apply as specified by the Articles of Association or resolved by the general meetings.

The term "cumulative voting system" as mentioned in the preceding paragraph means that in the election of directors or supervisors at the general meetings, each share of a shareholder carries voting rights in the number of directors or supervisors to be elected and the shareholder may cast all the votes to one candidate. The Board shall publish an announcement to inform the shareholders of the resumes and basic information of the director or supervisor candidates.

**Article 82** The methods and procedures for the nomination of candidates for directors and supervisors are as follows:

(I) shareholders holding or consolidating more than 3% of the total number of the Company's issued and outstanding voting shares may propose to the general meetings by way of a written proposal the candidates for directors and supervisors who are not representatives of the employees, provided that the number of persons so nominated shall comply with the provisions of the Articles of Association and shall not be more than the number of persons proposed to be elected. The aforesaid proposals submitted by shareholders to the Company shall reach the Company at least 14 days prior to the date of the general meetings.

(II) the Board and the Supervisory Committee may, within the number of persons provided for in these Articles of Association and in accordance with the number of persons to be elected, propose lists of candidates for directors and supervisors and submit them to the Board and the Supervisory Committee for examination respectively. After the Board and the Supervisory Committee have examined and passed a resolution to determine the candidates for directors and supervisors, the Board and the Supervisory Committee shall submit a written proposal to the general meetings. The nomination of independent non-executive director candidates shall be conducted in accordance with the laws and regulations and the regulatory rules of the places where the Company's shares are listed.

(III) written notification of the intention to nominate a director or supervisor candidate and the nominee's willingness to accept the nomination, as well as relevant written materials on the nominee's status, shall be sent to the Company not less than 14 days before the date of the general meetings. The Board and the Supervisory Committee shall provide shareholders with the brief biographies and basic information of the candidates for directors and supervisors.



(IV) the period given by the Company for the nomination of candidates for directors and supervisors and the submission of the aforesaid notices and documents by the nominees (which period shall be counted on the day following the date of dispatch of the notice of the general meeting) shall be not less than 7 days.

(V) the general meetings shall vote on each of the candidates for directors and supervisors individually.

(VI) in the event of a temporary increase in the number of directors or supervisors, the Board or the Supervisory Committee shall propose to the general meetings that such director or supervisor be elected or replaced.

**Article 83** The general meetings shall comply with the following rules in adopting the cumulative voting system for the election of directors and supervisors:

(I) the cumulative total calculated voting rights held by shareholders (including shareholders' proxies) attending the general meetings shall be the number of shares of the Company held by such shareholder multiplied by the number of directors and supervisors to be elected at the general meetings.

(II) the shareholders (including shareholders' proxies) present at the general meetings shall be entitled to freely allocate the cumulative total voting rights for the election of each candidate. The smallest unit of voting rights used by each shareholder (including shareholders' proxies) attending the meeting for allocation to each candidate shall be the shares held by him/her. The total number of voting rights allocated to all candidates by each shareholder shall not exceed the total number of voting rights calculated on a cumulative basis, but may be less than the total number of voting rights calculated on a cumulative basis, and the difference shall be deemed to be a waiver of that portion of the voting rights by the shareholder.

(III) if the number of candidates is greater than the number of candidates to be elected, i.e., in the case of an election by a margin, all candidates shall be elected in the order of the number of votes they receive, from the highest to the lowest. In the event of a tie, the candidates with the same number of votes at the end of the list shall be elected as directors and supervisors by way of a new by-election by all shareholders present at the general meetings.

**Article 84** Except for the cumulative voting system, all proposals shall be voted item by item at the general meetings, and if there are different proposals for the same matter, they shall be voted in the order of introduction. Unless the meeting is suspended or no resolution may be made for a force majeure or any other special reason, no proposal may be suspended or denied voting at the general meetings.

**Article 85** A proposal deliberated at the general meetings shall not be modified; otherwise, the modification shall be regarded as a new proposal, which may not be voted at the general meetings.

**Article 86** The same voting right may be exercised only in one manner of voting: on-site voting, online voting, or any other manner of voting. The result of the first voting shall prevail, if the same voting right is repeatedly exercised.

**Article 87** Voting by registered ballots shall be adopted at the general meetings.

**Article 88** Before proposals are voted at the general meetings, two representatives of shareholders shall be recommended to take part in the counting and supervision of ballots. Where a shareholder is connected to any matter deliberated, the shareholder and its proxy may not take part in the counting and supervision of ballots.

When proposals are voted at the general meetings, lawyers or relevant organisations such as H share registrar (if any), representatives of shareholders, and representatives of supervisors shall be jointly responsible for the counting and supervision of ballots, announce the voting results on the spot, and record them in the minutes of the meeting.

Shareholders or their proxies voting online or in any other manner (if any) shall have the right to check their votes through the corresponding voting system.

**Article 89** The time of close of the on-site voting of the general meetings shall not be earlier than that of online or any other manner of voting, and the presider shall announce the voting and voting result of each proposal and according to the voting result, whether a proposal is passed.

Before the voting results are officially announced, the Company, ballot counters and supervisors, principal shareholders, network service providers, and other parties involved in the on-site, online, and other manners (if any) of voting of the meeting shall all be obligated to keep the voting information confidential.

**Article 90** The shareholders attending the general meetings shall deliver one of the following opinions on the proposals submitted for voting: yes, no, or abstention.

The voters of blank ballots, incorrectly completed ballots, illegible ballots, and uncast ballots shall be all deemed to have waived their voting rights, and the voting results of the shares held by them shall be recorded as “abstention”.

**Article 91** If the presider of the meeting has any doubts about the voting result of a proposed resolution, he/she may arrange to recount of the votes. If the presider of the meeting does not arrange re-counting of the votes, a shareholder or proxy attending the meeting who dissent from the result announced by the presider of the meeting shall be entitled to request re-counting of votes immediately after such announcement, in which case the presider of the meeting shall immediately arrange re-counting of the votes.

**Article 92** If ballots are counted at a general meeting, the counting results shall be recorded in the minutes of the meeting. The minutes together with the attendance record of shareholders, the powers of

attorney of the proxies and valid record of other means of voting, shall be kept at the domicile of the Company.

**Article 93** The resolutions of the general meetings shall be announced in a timely manner, and the announcement shall state the number of shareholders and proxies attending the general meetings, the total number of voting shares held by them and its proportion to the total number of voting shares of the Company, the voting methods, the voting result of each proposal, and the details of each resolution adopted.

**Article 94** If a proposal for the election of directors and supervisors is approved at the general meetings, the newly appointed directors and supervisors shall assume office on the time specified in the resolution of the general meetings or, if the time of assumption of office is not specified in the resolution of the general meetings, the time of assumption of office shall be the time when the resolution of the general meetings is made.

**Article 95** Where a proposal on the distribution of cash dividends or stock dividends or the issue of bonus shares out of the paid-in surplus reserve is passed at the general meetings, the Company shall execute the specific plan within 6 months after the end of the general meetings.

## **CHAPTER V THE BOARD**

### **Section 1 Directors**

**Article 96** The Company shall establish a Board, which shall be accountable and report its work to the shareholders' general meeting. The Board shall consist of nine Directors, employee representatives may serve as directors on the Board. At all times, more than one-third of the members of the Board shall be independent non-executive Directors, and the total number of independent non-executive Directors shall be not less than three, at least one of whom shall have appropriate professional qualifications in line with regulatory requirements, or appropriate accounting or related financial management expertise. The Board shall have one chairman. The chairman shall be appointed and could be removed by a majority of all members of the Board. The chairman shall serve a term of three years subject to re-election.

**Article 97** Directors shall be elected and replaced at general meetings, and the general meetings may remove the director from his or her office before the expiration of the term of office. Directors shall serve a term of three years and may serve consecutive terms if re-elected upon the expiration of his/her term.

The term of office of a director shall commence from the date of him/her assuming office until the expiry of the term of the prevailing session of the Board. Before the expiry of his or her term of office, a director may resign by submitting a written resignation report to the Board.

Where a director has not been timely re-elected at the expiry of the term of office, or where a director has resigned during the term of office resulting that the number of the members in the board falls below the quorum, the original director shall perform his/her duties as a director, prior to the

assumption by the re-elected director, in accordance with the laws, administrative regulations, departmental rules and regulations, listing rules of the places where the Company's shares are listed and the provisions of the Articles of Association.

Except under the circumstance in the preceding paragraph, a director's resignation shall take effect once his or her resignation report is received by the Board.

A director is not required to hold any shares of the Company.

**Article 98** Where a director's resignation takes effect or his or her term of office expires, the director shall appropriately complete all handover procedures with the Board, but his or her duties of loyalty to the Company and shareholders shall not necessarily be discharged with the termination of their tenure, while a director's obligation to treat such trade secrets of the Company confidential survives the termination of their tenure until the secret becomes public information. The specific period of time during which a director's duties of loyalty are assumed after the effective date of resignation or expiration of the term of office is two years from the effective date of resignation or expiration of the term of office. Other obligations may continue for such a period as fairness may require, depending on the time lapse between the termination of tenure and the occurrence of the event concerned, and the circumstances and conditions under which the relationship between them and the Company is terminated.

**Article 99** Except as specified by the Articles of Association or legally authorized by the Board, no director may act on behalf of the Company or the Board in his or her own name. When a director acts in his or her own name, if it is reasonable for a third party to believe that he or she is acting on behalf of the Company or the Board, the director shall declare his or her position and identity in advance.

**Article 100** Where a director violates any law, administrative regulation or departmental rules or the Articles of Association in executing his or her duties in the Company, causing losses to the Company, he or she shall assume compensatory liability.

**Article 101** Independent non-executive directors shall be governed by the relevant provisions of laws and administrative regulations, as well as the relevant rules of the CSRC and the stock exchange.

## **Section 2 the Board**

**Article 102** The Board shall be accountable to the general meeting and perform the following duties and powers:

- (I) to convene the general meeting and report its performance at the general meetings;
- (II) to implement resolutions adopted at the general meetings;
- (III) to make decisions on the Company's business plans and investment plans;

- (IV) to formulate the Company's profit distribution plans and loss recovery plans;
- (V) to formulate the proposals on the increase or reduction of the Company's registered capital and the proposals on the issuance of bonds or other securities and listing plans;
- (VI) to formulate the plans for a significant acquisition, purchase of the shares of the Company, merger, division, dissolution and other changes in the corporate form of the Company;
- (VII) as authorized by the general meetings, to decide matters concerning external investment, acquisition or sale of assets, mortgage of assets, external guarantees, entrust wealth management, connected transactions, and external donation, among others;
- (VIII) to determine the establishment of internal management departments of the Company;
- (IX) to appoint or dismiss the general manager, the Board Secretary and secretary to the Company (the "Company Secretary"), and other senior management members of the Company, and deciding matters concerning their remunerations, punishments and rewards; and to appoint or dismiss the deputy general manager, financial officer and other senior management members of the Company as nominated by the general manager and to determine their remunerations, punishments and rewards;
- (X) to formulate the basic management system of the Company;
- (XI) to formulate the proposals for any amendment to the Articles of Association;
- (XII) to authorize the chairman to exercise some of the duties and powers of the Board;
- (XIII) to consider and approve (1) share transactions with all percentage ratios of less than 5% and the consideration including shares to be issued for listing (including one-off transactions and a series of transactions that require a combined calculation of the percentage ratios); (2) disclosable transactions with all percentage ratios of 5% or more but less than 25% (including one-off transactions and a series of transactions that require the combined calculation of the percentage ratios); and (3) partially exempt connected transactions and non-exempt connected transactions with all percentage ratios (except profits ratio) of higher than 0.1% but lower than 5% (including one-off transactions and a series of transactions that require the combined calculation of the percentage ratios), calculated in accordance with the percentage ratio requirements of Rule 14.07 of the Hong Kong Listing Rules.
- (XIV) to formulate the equity incentive plans and employee stock ownership plans of the Company;
- (XV) to prepare the proposal on the amount and payment method of the emoluments of directors and to submit it to the general meeting for decision;

(XVI) to manage the information disclosure of the Company;

(XVII) to propose at general meetings for the appointment or change of accounting firm conducting auditing for the Company;

(XVIII) to hearing the work reports of the general manager of the Company and inspecting the general manager's work;

(XIX) to decide on such major matters and administrative affairs other than those ought to be decided by the general meeting of the Company as specified in the laws, administrative regulations, rules and regulations of the competent authorities and these Articles of Association of the Company and enter into other important agreements;

(XX) other duties and powers stipulated by laws, administrative regulations, departmental rules and regulations, listing rules of the places where the Company's shares are listed, or the provisions of the Articles of Association.

Except for the Board resolutions in respect of the matters specified in paragraphs (V), (VI) and (XI) which shall be passed by more than two-thirds of the directors, the Board resolutions in respect of all other matters set out in the preceding paragraphs may be passed by more than one-half of the directors.

Should the foregoing exercise of such functions and powers by the Board, or any transaction or arrangement of the Company be considered and reviewed by a general meeting according to the listing rules of the places where the Company's shares are listed, such shall be submitted to the general meeting for consideration and review.

**Article 103** Where a non-standard audit opinion is issued by certified public accountants on the financial reports of the Company, the Board shall submit explanations to the general meetings.

**Article 104** The Board shall develop the rules of procedures of the Board of Directors to ensure the implementation of the resolutions of the general meetings by the Board, improve work efficiency, and guarantee scientific decision-making.

**Article 105** The Board shall define the powers for external investment, acquisition or sale of assets, mortgage of assets, external guarantees, entrust wealth management, connected transactions, and external donation, among others, and establish rigorous examination and decision-making procedures as follows:

(I) in accordance with the percentage ratios calculated requirements under the Hong Kong Listing Rules 14.07, (1)all share transactions (including one-off transactions and a series of transactions requiring aggregation for the purpose of calculating the percentage ratios) are less than 5% and where the consideration includes shares to be issued for listing, (2)discloseable transactions (including one-off transactions and a series of transactions requiring aggregation for the purpose of calculating the percentage ratios) where the percentage ratios are 5% or

more but less than 25%, and (3) all partially exempt connected transactions and non-exempt connected transactions (including one-off transactions and a series of transactions that require aggregation of percentage ratios), where the percentage ratios (other than profitability ratios) calculated in accordance with the percentage ratios calculated requirements under the Hong Kong Listing Rules 14.07 are higher than 0.1% but less than 5% , are subject to the approval of the Board;

(II) where the relevant transactions should be submitted to the Board and/or the general meetings for consideration in accordance with the relevant provisions of the listing rules of the places where the Company's shares are listed and other securities regulatory rules of the places where the Company's shares are listed, the relevant provisions of the listing rules of the places where the Company's shares are listed and other securities regulatory rules of the places where the Company's shares are listed shall be complied with.

The Board shall establish strict review and decision-making procedures. For any major investment project, the Board shall organize a review by relevant experts and professionals, and report it to the general meetings for approval.

**Article 106** The chairman of the Board shall exercise the following powers:

(I) to preside over general meetings, to convene and preside over Board meetings;

(II) to supervise and inspect the implementation of Board resolutions;

(III) to execute documents in relation to the Company's issue of shares, corporate bonds, and other valuable securities;

(IV) to sign important documents of the Board and other documents that shall be signed by the legal representative of the Company;

(V) in case of emergency circumstances of force majeure events such as extraordinary natural disasters, to exercise special disposal powers which are in compliance with legal requirements and are in the interests of the Company on matters of the Company and provide ex-post reports to the Board and the shareholders' general meeting;

(VI) to nominate or recommend the general manager, the Board Secretary and the Company Secretary for the Board to consider and vote;

(VII) to propose to convene an extraordinary meeting of the Board;

(VIII) to exercise other functions and powers conferred by the Board.

**Article 107** If the chairman of the board of the Company is unable to perform his or her duties or fails to perform his or her duties, a director elected by a majority of all directors shall perform such duties.

**Article 108** Meetings of the Board shall be classified into the regular meetings of the Board and extraordinary meetings of the Board.

At least four regular Board meetings shall be convened each year on a quarterly (4) basis. Board meetings shall be convened by the chairman of the board. The meeting notice and meeting documents shall be served on all directors and supervisors at least fourteen (14) days before the meeting (excluding the day of the meeting). The Board of Directors shall have arrangements to ensure that all directors have the opportunity to put forward matters for discussion to be included in the agenda of the regular meetings of the Board of Directors.

The regular meetings cannot be convened by way of circulation of written resolution.

Board meetings shall generally be convened on-site. Whenever it is necessary, the Board meetings may be convened through video, telephone, fax, or email after agreement of the convener (the president) or proposer provided that the directors can fully give their opinions. The Board meetings may also be held on-site and off-site simultaneously.

**Article 109** The chairman of the board shall convene an extraordinary board meeting in one of the following circumstances:

- (I) proposed by shareholders holding not less than one-tenth of the voting rights;
- (II) proposed by not less than one-third of the directors;
- (III) considered necessary by the chairman; and
- (IV) other circumstances stipulated by the Articles of Association.

**Article 110** The notice of extraordinary board meeting shall be served in writing to all directors, supervisors, and the senior management members by hand, express deliveries, e-mail, or facsimile three days before the date of the meeting. However, if an extraordinary meeting of the Board of Directors needs to be held quickly due to urgent circumstances, a meeting notice may be given at any time by telephone, text message and WeChat or, other oral methods, provided that the convener gives an explanation thereof at the meeting.

**Article 111** Except for the extraordinary meeting of the Board under urgent circumstances, the notice of board meeting shall be served by hand or facsimile, express deliveries, e-mail and other means.

A notice of a meeting of the Board in writing shall include the following particulars:

- (I) the date and venue of the meeting;
- (II) the duration of the meeting;



(III) matters and proposals to be considered at the meeting; and

(IV) the date of issuance of the notice.

If a meeting is held by means of correspondence, the notice of the meeting shall specify the manner, deadline and address for the directors to send the votes.

**Article 112** Meetings of the Board may be held only if a majority of all directors are present.

Each director shall be entitled to one vote. Save as otherwise specified in the Articles of Association, resolutions made by the Board shall be passed by more than half of all directors.

If the votes for and against are the same, the chairman shall be entitled to cast one additional vote.

**Article 113** Where a director or any of his/her close associates has any interest in the subject matter of the board meeting, such director shall abstain from the meeting, and his/ her voting rights shall be withdrawn and he/she shall not be counted in the quorum of the meeting, neither shall he/she vote by proxy of other directors. Where any Director is required to abstain from voting, the relevant meeting of the Board may be held when more than half of the uninterested Directors attend the meeting, and the resolutions formed shall be passed by more than half of the uninterested Directors. If the number of uninterested Directors attending the meeting is less than 3, the relevant proposal shall not be voted and shall be submitted to the general meeting for review.

**Article 114** Meetings of the Board shall be attended by the directors in person. If a director is unable to attend a meeting for any reason, he/she shall appoint another director in writing to attend the meeting on his/her behalf. Such an instrument of appointment shall specify the names of the proxy, the issues, the scope of the authorization granted by the principal, and the term of validity of the appointment and with the principal's signature or seal.

The director attending the meeting on behalf of the absent director shall exercise the director's rights to the extent authorized. If a director fails to attend a meeting of the Board and has not appointed a proxy to attend the meeting on his/her behalf, he/she shall be deemed to have waived his/her right to vote at such meeting.

A director who fails to attend the meetings of the Board twice consecutively neither in person nor by authorizing another director to attend such meetings on his or her behalf shall be deemed unable to execute his or her duties, and the Board shall advise the general meetings to replace him or her.

**Article 115** The vote on board resolutions shall be taken by way of voting on a show of hands, speeches or of an open ballot at the meeting.

On the premise that the directors are assured to have fully expressed their views, the extraordinary board meeting may be conducted by way of circulating written resolution(s), which shall

be signed by the directors attending the meeting and delivered to the Company by hand, express deliveries, e-mail or facsimile.

**Article 116** The board shall keep minutes of resolutions on matters discussed at relevant meetings. The minutes shall be signed by the directors present at such meetings.

The directors shall be liable for the resolutions of the Board. If a resolution of the Board violates the laws, administrative regulations, the listing rules of the places where the Company's shares are listed, the Company's Articles of Association or the resolutions of the general meetings, thereby causing the Company to sustain a material loss, the directors who took part in the resolution shall be liable to the Company for damages. However, if a director is proved to have expressed his/her opposition to such resolution when it was put to the vote, and such opposition is recorded in the minutes of the meeting, such director may be released from such liability.

The minutes of Board meetings shall be kept as archives of the Company and the period of retention shall not be less than ten years.

**Article 117** The minutes of a meeting of the Board shall include:

- (I) the date and place of the meeting and the name of the convener;
- (II) the names of directors attending the meeting and the names of directors (proxies) attending the meeting on behalf of others;
- (III) the agenda of the meeting;
- (IV) the key points of speeches of directors; and
- (V) the manners and results of voting on each matter for resolution (voting results shall specify the number of yes, no, and abstention votes).

**Article 118** The Board establishes special committees such as audit committee, nomination committee and remuneration committee, which are the special working body under the Board and responsible for providing suggestions and advices to the Board. The personnel composition and terms of reference of special committees shall be resolved separately by the Board. Special committees shall not make any resolution in the name of the Board. Instead, in the absence of violation of the mandatory provisions under PRC's relevant laws, regulations, regulatory documents and the listing rules of the places where the Company's shares are listed, they shall exercise the right of decision on the authorized matters under the special authorization of the Board.

## **CHAPTER VI THE BOARD SECRETARY**

**Article 119** The Company shall have a secretary to the board, who shall be engaged or dismissed by the Board. The secretary to the board shall be a senior management officer of the Company.

**Article 120** The secretary to the board shall be a natural person with the necessary professional knowledge and experience. His or her main duties shall be as set forth below:

(I) ensuring that the document of the Board complies with the relevant laws and regulations;

(II) ensuring that the Company has complete organizational documents and records;

(III) ensuring that the Company prepares and submits reports and documents required by relevant authorities pursuant to the law;

(IV) ensuring that the register of shareholders of the Company is properly established, and that persons entitled to receive relevant records and documents of the Company are given timely access to such records and documents;

(V) being responsible for the preparations for the meetings of the general meetings and the Board, retention of documents, management of materials on shareholders, and handling of information disclosure and other matters; and

(VI) other duties required by laws, regulations, the Articles of Association, other management systems of the company, and the listing rules of the places where the Company's shares are listed.

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

**Article 121** A director or other senior management of the Company may also act as the secretary to the Board of the Company. No accountant of the accounting firm which has been appointed by the Company shall not act as the secretary to the Board.

## **CHAPTER VII THE GENERAL MANAGER**

**Article 122** The Company shall have one general manager who shall be appointed or dismissed by the Board.

The Company may have several deputy general managers who shall be appointed or dismissed by the Board.

**Article 123** The general manager's term of office is three years, and may be renewed upon reappointment.

**Article 124** The general manager of the Company shall be accountable to the Board and perform the following duties and powers:

(I) to lead the management of production and operation, to organize and implement the Board resolutions and report to the Board;

(II) to organize and implement the annual operation plan and investment proposal of the Company;

(III) to propose the establishment proposal of the internal management departments of the Company;

(IV) to formulate the basic management system of the Company;

(V) to formulate the Company's specific rules;

(VI) to propose the appointment or dismissal of the deputy general managers and the chief financial officer of the Company to the Board;

(VII) to appoint or dismiss other management members other than those required to be appointed or dismissed by the Board;

(VIII) other duties and powers granted by the Articles of Association or the Board.

**Article 125** The general manager of the Company may be present at a Board meeting. The general manager has no voting rights at the Board meetings unless he/she is also a director.

**Article 126** The general manager may resign before the expiry of his or her term of office. The specific procedures and methods for the general manager's resignation shall be provided for by the employment contract or services contract between the general manager and the Company.

**Article 127** The deputy general manager assists the general manager in his work and is responsible to the general manager, and is entrusted by the general manager to take charge of the relevant work and to issue relevant business documents within the scope of his duties. When the general manager is unable to perform his duties, the deputy general manager may be entrusted by the general manager to perform the duties of the general manager.

**Article 128** Where the senior management members violates any law, administrative regulation, departmental rule or the Articles of Association in executing his or her duties in the Company, causing losses to the Company, he or she shall assume compensatory liability.

**Article 129** In exercising his/her functions and powers, the senior management members shall perform the duty of loyalty and good faith and diligence in accordance with relevant laws, administrative regulations, the listing rules of the places where the Company's shares are listed, and the Articles of Association. Senior management members of the Company who fail to faithfully perform their duties or violate their fiduciary duties, causing damage to the interests of the Company and public shareholders shall be liable for compensation in accordance with the law.

## **CHAPTER VIII SUPERVISORY COMMITTEE**

**Article 130** The Company shall have a Supervisory Committee.

**Article 131** The Supervisory Committee consists of three members. The Supervisory Committee shall have a chairman. The term of office of a supervisor is three years. Upon expiration of the term of office, the supervisors can be re-elected and re-appointed.

The chairman of the Supervisory Committee shall be elected by a majority vote of all supervisors.

The chairman of the Supervisory Committee shall convene and preside over the meetings of the Supervisory Committee; where the chairman of the Supervisory Committee is unable or fails to execute his or her duties, a supervisor jointly recommended by a majority of all supervisors shall convene and preside over the meetings of the Supervisory Committee.

**Article 132** The supervisors shall be the representatives of shareholders and employees of the Company. The ratio of the employee representative Supervisors shall be no less than one-third. The employee representative supervisors shall be elected by the representative staff and workers congress, the staff and workers congress, or other forms of a democratic election.

**Article 133** Directors and senior management shall not act as supervisors.

**Article 134** At least one regular meeting of the Supervisory Committee shall be held every six months. Supervisors may propose the calling of interim meetings of the Supervisory Committee.

**Article 135** A notice of meeting of Supervisory Committee shall include the following contents:

(I) the time, place and duration of the meeting;

(II) the cause and the topics for discussion; and

(III) the date of the notice.

**Article 136** The Supervisory Committee shall be accountable to the general meeting and exercise the following functions and powers in accordance with the law:

(I) to check the financial affairs of the company;

(II) to supervise the directors and senior management members in the performance of their duties, and to put forward proposals on the removal of any director or senior manager who violates laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed, the Articles of Association or any resolution of the shareholders' meeting;

(III) to require the director or senior management to make corrections if his/her act is detrimental to the interests of the company;

(IV) to propose the convening of extraordinary general meetings and convene and preside over the general meeting if the Board fails to perform its duties of convening and presiding over the general meetings as set out in the Company Law;

(V) to submitting proposals to the general meetings;

(VI) to bring an action against directors and senior management members in accordance with the Article 151 of the Company Law;

(VII) to investigate and, if necessary, to engage professional organizations, such as accounting firms and law firms, to assist the Company in its work if it discovers any irregularities in the Company's operations. The expenses shall be borne by the Company;

(VIII) to audit the periodic reports of the Company prepared by the Board of Directors;

(IX) other functions and duties as provided for by the laws, administrative regulations, and Articles of Association.

Supervisors may present at the Board meetings and make inquires or advises on matters of the resolutions of the Board.

**Article 137** If the number of members of the Supervisory Committee falls below the quorum due to a failure to timely elect a supervisor upon expiration of a supervisor's term of office or due to the resignation of a supervisor during his or her term of office, the incumbent supervisor shall continue to perform his or her duties as a supervisor in accordance with laws, administrative regulations, the listing rules of the place where the Company's shares are listed and the Articles of Association until the incoming supervisor takes up his or her position.

**Article 138** Supervisors shall guarantee the veracity, accuracy and completeness of the information disclosed by the Company.

**Article 139** Resolution of the Supervisory Committee shall be approved by the votes of half or more of its members.

**Article 140** The reasonable expenses incurred in respect of engaging a professional, such as a lawyer, certified public accountant, practicing auditors, etc., by the Supervisory Committee in exercising its functions and powers shall be borne by the Company.

**Article 141** The supervisors shall observe laws, administrative regulations, the listing rules of the place where the Company's shares are listed and the Articles of Association. The supervisors have the duties of loyalty and the duties of diligence to the Company, may not accept bribes or obtain any other illegal income by taking advantage of their functions, and may not appropriate any property of the Company.

**Article 142** The supervisors may not take advantage of their affiliations to damage the interests of the Company, and shall assume compensatory liability for any losses thus caused to the Company.

**Article 143** The Supervisory Committee shall develop the rules of procedure of the Supervisory Committee to specify the manners of deliberation and voting procedures of the Supervisory Committee and ensure the work efficiency and scientific decision-making of the Supervisory Committee.

**Article 144** The Supervisory Committee shall file resolutions considered as minutes, which shall be signed by supervisors who are present at the meeting.

The supervisors shall have the right to have an explanatory note made in the minutes regarding his/her speech at the meeting. The minutes of Supervisory Committee meetings shall be kept at the domicile of the Company as archives of the Company at least ten years.

**Article 145** Where a supervisor violates any law, administrative regulation or departmental rules or the Articles of Association in executing his or her duties in the Company, causing losses to the Company, he or she shall assume compensatory liability.

#### **CHAPTER IX QUALIFICATIONS AND OBLIGATIONS OF THE DIRECTORS, SUPERVISORS, AND SENIOR MANAGEMENT MEMBERS**

**Article 146** None of the following persons may serve as directors, supervisors, or senior management members of the Company:

(I) persons without capacity or with limited capacity for civil acts;

(II) persons who were sentenced to criminal punishment for the crime of corruption, bribery, misappropriation of property or diversion of property or for disrupting the order of the socialist market economy, where not more than five years have elapsed since the expiration of the period of punishment; or persons who were deprived of their political rights for committing a crime, where not more than five years have elapsed since the expiration of the period of deprivation;

(III) persons who served as directors, or factory directors or managers, who bear personal liability for the bankruptcy liquidation of their companies or enterprises, where not more than three years have elapsed since the date of completion of the bankruptcy liquidation of their companies or enterprises;

(IV) persons who served as the legal representatives of companies or enterprises that had their business licenses revoked for breaking the law, where such representatives bear individual liability therefor and not more than three years have elapsed since the date of revocation of the business license;

(V) persons with comparatively large debts that have fallen due but have not been settled;

(VI) persons who are prohibited from acting as a management member of a company by laws, administrative regulations or the listing rules of the place where the Company's shares are listed;

(VII) non-natural persons;

(VIII) persons who are banned by the CSRC from access to the securities market, and the ban has not expired;

(IX) other circumstances specified by the relevant laws and regulations of the place where the Company's shares are listed.

If the directors, supervisors, or senior management members are elected, appointed or engaged in violation of this Article, such election, appointment or engagement shall be invalid. Any director, supervisor, and senior management member falling into any of the circumstances set out in this Article during his/her term of office shall be dismissed by the Company.

**Article 147** The directors, supervisors and senior management members of the Company shall have the following duties of loyalty to the Company in accordance with laws, administrative regulations and the Articles of Association:

(I) not to accept bribes or obtain any other illegal income by taking advantage of their functions or appropriate any property of the Company;

(II) not to misappropriate the funds of the Company;

(III) not to open accounts in their own names or in other individuals' names to deposit any assets or funds of the Company;

(IV) not, in violation of the Articles of Association, to lend any funds of the Company to others or provide security for others with any property of the Company without the permission of the general meetings or the Board;

(V) not to enter into contracts or transact with the Company in violation of the Articles of Association or without the permission of the general meetings;

(VI) without the permission of the general meeting, not to take advantage of their positions to seek, for themselves or others, business opportunities that otherwise belong to the Company, or operate the same kind of business as the Company for their own accounts or on behalf of others;

(VII) not to accept any commissions from others on transactions conducted with the Company;

(VIII) not to disclose any secret of the Company without authorization;

(IX) not to use their affiliations to damage the interests of the Company;



(X) other duties of loyalty as set out by laws, administrative regulations, departmental rules, and the Articles of Association.

**Article 148** Directors, supervisors and the senior management members shall have the following duties of diligence to the Company in accordance with laws, administrative regulations and the Articles of Association:

(I) to prudentially, carefully and diligently exercise the rights conferred by the Company to ensure that the business conduct of the Company complies with the laws and administrative regulations of the state and the requirements of various economic policies of the state and the commercial transactions of the Company are within the scope of business indicated in the business license of the Company;

(II) to fairly treat all shareholders;

(III) to keep them informed in a timely manner of the operating and management conditions of the Company;

(IV) to confirm in writing and sign the periodic reports of the Company, and ensure the veracity, accuracy and completeness of the information disclosed by the Company;

(V) to honestly provide relevant information and materials to the Supervisory Committee, and may not interfere with the exercise of functions by the Supervisory Committee or supervisors;

(VI) other duties of diligence as set out by laws, administrative regulations, departmental rules, and the Articles of Association.

## **CHAPTER X FINANCIAL AND ACCOUNTING POLICY, PROFIT DISTRIBUTION AND AUDIT**

**Article 149** The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations, listing rules of the place where the shares of the Company are listed and provisions issued by the relevant departments of the state.

**Article 150** The Company shall adopt the Gregorian calendar year for its financial year, i.e. from 1 January to 31 December.

**Article 151** The Company shall report, disclose and/or submit to shareholders annual reports, interim reports, results announcements and other documents in accordance with relevant laws, administrative regulations, departmental rules, the listing rules of the places where the Company's shares are listed and other securities regulatory rules of the places where the Company's shares are listed..

**Article 152** The financial statements of the Company shall, in addition to being prepared in accordance with accounting standards and regulations of China, be prepared in accordance with either international accounting standards, or those of the place outside the PRC where the shares of the Company are listed. If there is any material discrepancy between the financial statements prepared in accordance with the two accounting standards, such discrepancy shall be stated in the notes to financial statements. In distributing its after-tax profits for the relevant financial year, the lower of the after-tax profits presented in the aforesaid two financial statements shall prevail.

**Article 153** The Company shall prepare its annual reports within four months from the end of each accounting year, and prepare its interim reports within three months from the end of the first half year of each accounting year.

The aforesaid annual reports or interim reports shall be prepared in accordance with the relevant laws, administrative regulations, departmental rules, the listing rules of the places where the Company's shares are listed and other securities regulatory rules of the places where the Company's shares are listed.

**Article 154** The Company shall not establish an accounting book other than those required by law. The assets of the Company shall not be deposited in any account opened in an individual's name.

**Article 155** In the distribution of the after-tax profits of a year, the Company shall set aside 10% of the profits as its statutory surplus reserve. The Company may no longer do so if the cumulative total of its statutory surplus reserve accounts for 50% or more of the Company's registered capital.

Where the statutory surplus reserve of the Company is not adequate to cover losses of previous years, the profits of a year shall be first used to cover losses before the set-aside of the statutory surplus reserve in the preceding paragraph.

After the Company has set aside a part of the after-tax profits as its statutory surplus reserve, it may, upon resolution by the general meetings, set aside a part of the after-tax profits as its discretionary surplus reserve.

After coverage of losses and set-aside of surplus reserves, the remaining after-tax profits shall be distributed in proportion to the shares held by shareholders, unless the Articles of Association provide otherwise.

Where, in violation of the preceding paragraph, the general meetings distributes profits to shareholders before coverage of losses and set-aside of the statutory surplus reserve, shareholders must refund the profits distributed in violation of the preceding paragraph to the Company.

The shares of the Company held by the Company shall not participate in its distribution of profits.

**Article 156** The Company's surplus reserves shall be used to cover the losses, expand the operations or increase the capital of the Company, but paid-in surplus reserve may not be used for covering losses.

Where a part of the statutory surplus reserve is capitalized, the remaining amount of the reserve shall not be less than 25% of the Company's registered capital before capitalization.

**Article 157** After a resolution of the general meetings of the Company is made regarding its profit distribution plan, the Board must complete the distribution of dividends (or shares) within six months after the general meetings is held.

**Article 158** The Company attaches importance to reasonable investment returns to shareholders. Profit distribution should follow the principles of attaching importance to reasonable investment returns to shareholders and being conducive to the long-term development of the Company; the Company's policy on profit distribution should be continuous and stable and in compliance with the relevant provisions of laws, regulations and the listing rules of the places where the Company's shares are listed. The Company distribute dividends in the form of cash or shares. Where distributable profits exist, the Board may make a cash dividend distribution plan or/and a stock dividend distribution plan based on the Company's business and financial conditions.

When the Company's latest annual audit report is unqualified or carries an unqualified opinion with a material uncertainty paragraph related to going concern, when the gearing ratio is higher than a certain specific percentage, when the operating cash flow is lower than a certain specific level, or when there are other circumstances, the Company may refrain from distributing profits.

**Article 159** The Company shall apply an internal audit system, and have full-time auditors who oversee the financial receipts and expenditures and economic activities of the Company through internal audit.

**Article 160** The internal audit rules and the duties of auditors of the Company shall be implemented upon approval of the Board. The person in charge of audit shall be responsible to and report work to the Board.

## **CHAPTER XI APPOINTMENT OF ACCOUNTING FIRM**

**Article 161** The Company shall engage an independent accounting firm in compliance with the relevant regulations of the PRC and the listing rules of the places where the Company's shares are listed and other securities regulatory rules of the places where the Company's shares are listed to audit the Company's annual financial report; and the term of appointment shall be one year and renewable.

**Article 162** The engagement of an accounting firm must be subject to the decision of the general meetings, and the Board may not appoint any accounting firm before the general meetings makes the decision.

**Article 163** The Company shall guarantee the provision of true and complete accounting documents, accounting books, financial accounting reports, and other accounting materials to the accounting firm engaged, and may not refuse to provide, conceal, or provide false materials.

**Article 164** The auditing fees of the accounting firm shall be determined by the general meeting or authorised to the Board to fix its remuneration.

**Article 165** A 15 days' prior notice shall be given to the accounting firm if the Company decides to remove or not to renew the appointment, but when the dismissal of the accounting firm is voted at the general meetings, the accounting firm shall be allowed to present its opinion.

If an accounting firm resigns from its position, it shall make representations at a general meeting whether there has been any impropriety on the part of the Company.

## **CHAPTER XII MERGER, DIVISION, DISSOLUTION AND LIQUIDATION**

**Article 166** The merger of the Company may take the form of either merger by absorption or a new consolidation.

In case of a merger, a company is absorbed by another company, and the absorbed company is dissolved. In case of consolidation, two or more companies are consolidated into a new company, and all the consolidated companies are dissolved.

**Article 167** In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and a list of assets. The Company shall notify its creditors within 10 days of, and shall make an announcement on the newspapers recognised by the Company's registrar and the stock exchange on which the Company's shares are listed or the National Enterprise Credit Information Publication System within 30 days of, the date of the Company's resolution on the merger.

The creditors may, within 30 days after receiving the notice or within 45 days after the issuance of the public announcement if it fails to receive a notice, demand the Company to repay its debts or to provide corresponding guaranties.

**Article 168** Upon merger, creditors' rights and liabilities of parties to the merger shall be taken over by the continuing company or the newly established company.

**Article 169** In a division, the assets of the Company shall be split in an appropriate manner.

In the event of division of the Company, the parties concerned shall prepare balance sheets and a list of assets. The Company shall notify its creditors within 10 days after the date of the resolution on division and shall make an announcement on the newspapers recognised by the company's registrar and the stock exchange on which the company's shares are listed or the National Enterprise Credit Information Publicity System within 30 days.

The debts of the Company before division shall be borne by the companies established after division jointly and severally, unless otherwise agreed in writing between the Company and the creditors in respect of debt settlement before division.

**Article 170** Where the Company needs to reduce its registered capital, it shall prepare a balance sheet and a property checklist.

The Company shall notify its creditors within 10 days from the date on which the resolution on reduction of registered capital was made and shall publish an announcement in a newspaper recognised by the Company's registrar and the stock exchange on which the Company's shares are listed or the National Enterprise Credit Information Publicity System within 30 days therefrom. The creditors shall, within 30 days from the date of receiving the written notice, or within 45 days from the date of the public announcement for those who have not received the written notice, be entitled to require the Company to pay off its debts or to provide corresponding security.

After the reduction, the registered capital of the Company shall not be less than the statutory minimum requirement.

**Article 171** Where any of the registered items changes due to a merger or division of the Company, the Company shall process the changes of registration with the company registration authority. Should the Company be dissolved, it shall be deregistered according to laws. If a new company is established, it shall go through the registration for company establishment according to laws.

**Article 172** The Company shall be lawfully dissolved and liquidated under any of the following circumstances:

- (I) expiry of the term of operation stipulated in the Articles of Association or occurrence of an event which triggers the dissolution as provided in the Articles of Association;
- (II) the general meeting adopts a resolution to dissolve the Company;
- (III) the Company needs to be dissolved for merger or division;
- (IV) the Company's business license is forfeited, is ordered to close down, or is abolished according to the law;
- (V) where the Company encounters significant difficulties in business and management, its subsistence may be significantly detrimental to the interests of the shareholders, and the difficulties may not be overcome by other means, the shareholders who hold more than 10% of the shares of the Company carrying voting rights may request the people's court to dissolve the Company.

**Article 173** Under the circumstance set out in Article item (I) of Article 172 of the Articles of Association, the Company may continue to exist by amending the Articles of Association.

An amendment to the Articles of Association under the preceding paragraph must be adopted with two thirds or more of the voting rights held by shareholders attending the general meetings.

**Article 174** Where the Company is dissolved pursuant to items (I), (II), (IV) and (V) of Article 172 hereof, a liquidation committee shall be set up, within 15 days from the date upon which the cause of dissolution arises, to start the liquidation process.

The membership of the liquidation committee shall be determined by the directors or the general meeting. In case no such committee is established to proceed with liquidation in time, the creditors may make application to the people's court for appointing relevant persons to form the liquidation committee for liquidation.

**Article 175** The liquidation committee shall notify creditors within 10 days from the date of its establishment and make an announcement on the newspapers recognised by the company's registrar and the stock exchange on which the Company's shares are listed or the National Enterprise Credit Information Publicity System within sixty days of that date.

The creditors shall, within 30 days upon receiving the notice, or within 45 days of the date of the announcement for those who have not received notice, shall declare their creditors' rights to the liquidation committee.

In declaring their creditors' rights, the creditors shall explain matters relating to their rights and provide evidence with respect thereof. The liquidation committee shall register creditor's rights.

The liquidation committee shall not make any settlement with the creditors during the period of declaration.

**Article 176** During the liquidation period, the liquidation committee shall exercise the following functions and duties:

- (I) to liquidate the Company's assets and separately prepare a balance sheet and a list of assets;
- (II) to notify creditors or issue public announcements;
- (III) to deal with the Company's outstanding business in relation to the liquidation;
- (IV) to settle outstanding taxes as well as taxes arising in the course of liquidation;
- (V) to settle all creditors' rights and debts;
- (VI) to dispose of the surplus assets of the Company after its debts have been paid off;
- (VII) to represent the Company in civil lawsuits.

**Article 177** Upon liquidation of the Company's properties and the preparation of the balance sheet and list of assets, the liquidation committee shall draw up a liquidation plan to be submitted to the general meeting or the people's court for confirmation.

The remaining assets of the Company after repayment of liquidation expenses, staff wages and social insurance expenses and statutory compensation, payment of outstanding taxes and payment of the Company's debts shall be distributed to the shareholders according to the shares held by them and in proportion to their respective shareholdings.

During the liquidation, the Company continues to exist but may not carry out any operation irrelevant to liquidation.

The property of the Company shall not be distributed to shareholders before payments under the preceding paragraph.

**Article 178** If the liquidation committee, after liquidating the Company's assets and preparing the balance sheet and list of assets, finds that the Company's assets are insufficient to settle its debts, it shall legally apply to the people's court to declare the Company's bankruptcy.

After the Company is declared bankrupt by a ruling from the people's court, the liquidation committee shall transfer the liquidation matters to the people's court.

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

**Article 180** The members of the liquidation group shall devote themselves to their duties, and perform their liquidation duties according to the law.

The members of the liquidation group may not accept bribes or obtain any other illegal income by taking advantage of their functions or appropriate any property of the Company.

Where any member of the liquidation group causes any losses to the Company or any creditor intentionally or in gross negligence, he or she shall assume compensatory liability.

**Article 181** Where the Company is declared bankrupt according to the law, it shall undergo bankruptcy liquidation according to laws on bankruptcy of enterprises.

### **CHAPTER XIII AMENDING THE ARTICLES OF ASSOCIATION**

**Article 182** Under any of the following circumstances, the Company shall amend the Articles of Association:

(I) after the amendment of the Company Law or any other relevant law or administrative regulation, any provisions of the Articles of Association are in conflict with the amended law or administrative regulation;

(II) any changes of the Company result in inconsistency with the relevant provisions of the Articles of Association;

(III) the general meetings decides to amend the Articles of Association.

**Article 183** Where any amendment to the Articles of Association adopted by a resolution of the general meetings is subject to the approval of the appropriate authorities, and if any amendment to the Articles of Association involves a registered particular of the Company, the approval and registration of the change shall be carried out in accordance with the law.

**Article 184** The Board shall amend the Articles of Association according to the resolution of the general meetings to amend the Articles of Association and the opinions of the appropriate authorities expressed in their approvals.

**Article 185** Where the disclosure of information on any amendment to the Articles of Association is required by any law or regulation, the amendment shall be announced as required.

#### **CHAPTER XIV NOTICES AND ANNOUNCEMENTS**

**Article 186** Subject to laws, regulations, rules, and the relevant requirements of the stock exchange which the Company's shares listed on, the notices of the Company shall be given in the following ways:

(I) by hand;

(II) by express deliveries;

(III) by fax or e-mail;

(IV) announcement;

(V) any other manner specified by the Articles of Association.

The notices, materials or written announcement of the general meeting should be delivered to the shareholders of overseas listed shares in any of the following manners:

(I) to be delivered to every holder of overseas listed shares by person or by express deliveries to the registered addresses of such holder of overseas listed shares;



(II) to be announced at the websites designated by the securities regulatory authorities or the stock exchange of the place where securities of the Company are listed in accordance with relevant laws, administrative regulations, and listing rules;

(III) other manners required by the stock exchange of the place where securities of the Company are listed and listing rules.

While the Articles of Association may have otherwise provided for the publication or notification methods of any document, notice, or other communication, the Company may publish communications by the means specified in item (IV) of the first paragraph in this Article or other means of the relevant requirements of the stock exchange which the Company's shares listed on, to replace the means of sending written documents to each holder of overseas listed shares by hand or by express deliveries provided that doing so will be in compliance with the relevant regulations of the stock exchange where the Company's shares are listed. The said communications refer to any documents sent or to be sent by the Company to the shareholders for reference or taking action, including but not limited to the annual reports (including annual financial reports), interim reports (including interim financial reports), reports of the Board of Directors (together with the balance sheets and income statements), notices of general meeting, circulars, and other communications.

**Article 187** Unless otherwise provided for in the Articles of Association, the ways of giving notices in Article 186 shall apply to notices of general meetings, the Board and the Supervisory Committee convened by the Company.

**Article 188** Where a notice from the Company is sent out by hand, the recipient shall affix signature (or seal) to the Return on Service and the signing date shall be the delivery date. Where the notice is sent out via express deliveries, the delivery date shall be the 48 hours after such notice is delivered to the post office or the express delivery companies. Where the notice is sent out by fax or email or published on the website, the delivery date shall be the date when the notice is sent out. Where the notice is sent out by public announcement, the delivery date shall be the first date of publication of such announcement.

**Article 189** Where a notice of holding a meeting is not issued to a person entitled to the notice or such a person fails to receive the notice for any accidental omission, the validity of the meeting and the resolutions of the meeting shall not be affected.

**Article 190** Any notice, document, information or written statement sent to the Company by the shareholders or directors shall be serviced by hand or express deliveries to the legal address of the Company.

**Article 191** For the purpose of proving that any notice, document, information or written statement has been sent to the Company by the shareholders or directors, evidence shall be sufficed to show that such notice, document, information or written statement has been deposited within the period specified for depositing the same by the ways specified in Article 190 of the Articles of Association; in the case of delivery by hand, the receipt confirmation of the Company shall be sufficed; in the case of

delivery by express deliveries, supporting information showing that the mail has been prepaid and sent to the correct address shall be sufficed.

**Article 192** When the listing rules of the places where the Company's shares are listed require the Company to send, mail, dispatch, issue, publish or otherwise provide the relevant documents of the Company in both English and Chinese, if the Company has made appropriate arrangements to confirm whether the Company's shareholders wish to receive the English version only or the Chinese version only, the Company may, to the extent permitted under and in accordance with the applicable laws and regulations, only send the English version or the Chinese version of such documents to the relevant shareholder (in accordance with the intention expressed by the shareholder).

**Article 193** The Company makes announcements and disclosures to the domestic shareholders through the information disclosure newspapers and websites designated by the laws, administrative regulations or the relevant domestic regulatory authorities. If an announcement should be made to the H shareholders in accordance with this prospectus, such announcement shall at the same time be published in the designated newspapers, websites and/or the Company's website in accordance with the methods stipulated in the Hong Kong Listing Rules.

## **CHAPTER XV BY-LAWS**

**Article 194** Definitions:

(I) "Controlling shareholder" means the shareholder which holds common shares accounting for not less than 50% of the total shares of the Company or the shareholder which holds less than 50% but whose voting rights carried by the shares held suffice to have a material influence on the resolutions of the general meeting;

(II) "Actual controller" means the person who is not a shareholder of the Company but is able to actually dominate the conduct of the Company through investment relations, agreements, or other arrangements;

(III) "Affiliation" means the relationship between the controlling shareholder or actual controller, a director, a supervisor, or a senior management member of the Company and an enterprise directly or indirectly controlled by the controlling shareholder, actual controller, director, supervisor, or senior management member or any other relationship that may lead to the transfer of the interests of the Company. However, enterprises controlled by the state are not necessarily affiliated because they are under the same control by the state.

**Article 195** The Board may formulate detailed rules and regulations of the Articles of Association in accordance with the provisions of the Articles of Association. The detailed rules and regulations of the Articles of Association shall not be in conflict with the provisions of the Articles of Association.

**Article 196** In the Articles of Association, references to "accounting firm" shall have the same meaning as "auditors".

**Article 197** In the Articles of Association, the expressions of “above”, “within” shall include the figures mentioned whilst the expressions of “more than”, “less than” shall not include the figures mentioned.

**Article 198** The Articles of Association are written in Chinese. In the event of discrepancies between the Chinese and any other foreign language versions or different versions of the Articles of Association, the Chinese version shall prevail.

**Article 199** Matters not covered in the Articles of Association shall be handled in accordance with the laws, administrative regulations and the relevant provisions of the securities governing authority of the region where the Company’s shares are listed in conjunction with the actual situation of the Company. If the Articles of Association are in conflict with the laws, administrative regulations, relevant provisions or rules of respective securities registration and clearing authorities, provisions of other regulatory documents and the listing rules of the places where the Company’s shares are listed promulgated from time to time, such laws, administrative regulations, relevant provisions or rules of respective securities registration and clearing authorities and provisions of other regulatory documents and the listing rules of the places where the Company’s shares are listed shall prevail.

**Article 200** The Articles of Association shall be interpreted by the Board of the Company.

**Article 201** The Articles of Association shall take effect on the date of being approved by the resolution of the general meetings of the Company. The original Articles of Association shall be repealed as from the date on which the Articles of Association come into effect.