

**GOLDWIND SCIENCE&TECHNOLOGY  
CO., LTD.**

**Articles of Association**

June 2024

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# GOLDWIND SCIENCE&TECHNOLOGY CO., LTD.

## Articles of Association

### Chapter 1 General Provisions

- 1.01 These Articles of Association (these “**Articles**”) have been formulated in order to protect the lawful rights and interests of GOLDWIND SCIENCE&TECHNOLOGY CO., LTD. and its shareholders and creditors, and to govern the activities and organization of the Company. These Articles are formulated in accordance with relevant national laws and administrative regulations, including the *Company Law of the PRC*, the *Securities Law of the PRC*, and the *Guidelines on Articles of Association, the Rules for the General Meeting of Listed Company, the Listing Rules of Shenzhen Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*.

The Company is a company limited by shares incorporated in accordance with the *Company Law of the PRC* and other relevant national laws and administrative regulations.

Following authorization by the *Approval regarding the Incorporation of Xinjiang Goldwind Science & Technology Co., Ltd.* (Xin Zheng Han [2001] No. 29) issued by the government of Xinjiang Uyghur Autonomous Region (“**Xinjiang**”), the Company was established by way of the overall restructuring of Xinjiang New Wind Kegongmao Co., Ltd. On 26 March 2001, that Company received its business license upon registration with the Market Supervision Administration of Xinjiang.

The Company was jointly founded by 5 Corporate Shareholders and 9 Individual Shareholders. Each initiator uses their equity shares in the Xinjiang New Wind Engineering and Commercial Co., Ltd. that total RMB32,343,459.10 of book value of net assets and end 31 December 2000 to convert into 32,300,000 shares without discount rate as capital input for the Company. RMB 43,459.10 balance has enrolled into capital reserves. All the verified amount has been paid in full on 8 March 2001. Each initiator shareholder and their shareholding and percentage at the time of establishment are as followed:

No.	Name of Initiator	Shareholding (ten thousand shares)	Percentage (%)
1	Xinjiang Wind Power Co., Ltd.	1,232.25	38.15

2	China Water Conservancy Investment Group Co., Ltd.	819.77	25.38
3	Tao Yi	159.24	4.93
4	Xinjiang Wind Power Institute	158.27	4.90
5	Wei Hongliang	125.00	3.87
6	Gu Baoyu	116.93	3.62
7	Xinjiang Solar Energy Technology Development Co., Ltd.	115.31	3.57
8	Wang Bin	105.62	3.27
9	Hu Nan	90.44	2.80
10	Ma Hui	87.53	2.71
11	Wu Gang	63.31	1.96
12	Guo Jian	61.05	1.89
13	Wang Jin	54.26	1.68
14	Beijing Junhe Huiye Investment Consulting Co., Ltd.	41.02	1.27
	Total Capital	3,230.00	100.00

Following authorization by the *Notice regarding Approval of the IPO of Xinjiang Goldwind Science & Technology Co., Ltd.* (Zheng Jian Fa [2007] No. 453) issued by the China Securities Regulatory Commission (the “CSRC”) on 5 December 2007, the Company initially offered 50 million Renminbi (“RMB”) denominated ordinary shares to the public and became listed on the Shenzhen Stock Exchange (the “SZSE”) on 26 December 2007.

Business License Number of the Company is: 650000410001060.

1.02 Registered corporate name:

Chinese: 金风科技股份有限公司

English: GOLDWIND SCIENCE&TECHNOLOGY CO., LTD.

1.03 Place of business: No. 107 Shanghai Road, Economic & Technological Development District, Urumqi, Xinjiang.

Postcode: 830026

Telephone: (0991)-3767411

Facsimile: (0991)-3767411

1.04 The Chairman of the Board (the “Chairman”) is the legal representative of the Company.

1.05 The Company is a company limited by shares for perpetual existence.

The Company is an Independent Legal Entity, and is governed and protected by national laws and administrative regulations of the PRC.

- 1.06 These Articles shall be legally binding upon the Company and its shareholders, directors, supervisors, and senior management personnel; each of such personnel may raise claims regarding Company's matters in accordance with these Articles.

In accordance with these Articles, a shareholder may sue other shareholders, shareholders may sue the directors, supervisors, and senior management personnel of the Company, shareholders may sue the Company, and the Company may sue its shareholders, directors, supervisors, and senior management personnel.

- 1.07 All assets of the Company are divided into equally valued shares, with the liability of shareholders towards the Company limited to their respective shareholdings in the Company. The Company shall be liable for its debts with all its assets.

The Company may invest in other limited liability companies and companies limited by shares, and its liabilities to such companies shall be limited to the extent of its investments in such companies.

The Company shall not become an unlimited liability shareholder in other for-profit organizations.

- 1.08 The senior management personnel referred to in these Articles mean the Chief Executive Officer (the "CEO"), the president, the Chief Finance Officer (the "CFO"), the vice presidents, the Chief Engineer, and the Secretary of the Company.

- 1.09 As of the effective date of these Articles, the Company's previous articles of association and the amendments thereto shall automatically expire.

These Articles shall, from the effective date hereof, become a legally binding document governing the organization and behavior of the Company, and the rights and obligations between the Company and its shareholders, and between shareholders.

- 1.10 The Company shall set up its Communist Party of China ("CPC") organization and carry out CPC activities in accordance with the requirements of the Constitution of the CPC. The Company shall provide the CPC organization with necessary conditions for its activities.

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

- 2.01 The purpose of the Company is to continuously improve its standard of technology and operational management, create values for its shareholders,

customers and suppliers to the maximum extent; create development opportunities for its employees; and stimulate the development of China's wind power industry, the improvement of environment, and the sustainable use of energy.

- 2.02 The business scope of the Company is as approved by the company registration authority.

The business scope of the Company includes: the manufacturing and marketing of large-scale wind turbine generators (“WTGs”), and the import, development and utilization of WTG technologies; the construction and operation of pilot-scale wind farms; the manufacturing and marketing of WTG components; technical services and consultations related to the manufacturing of WTGs, and wind farm construction and operation; the import and export of WTGs, their components, and related technologies.

### **Chapter 3 Shares and Registered Capital**

- 3.01 The Company shall have ordinary shares at all times. The Company may have shares of other classes as needed, subject to approval by the appropriate department authorized by the State Council of the PRC (the “**State Council**”).

- 3.02 The Company's shares shall be issued in accordance with the principles of openness, fairness, and equality, with equal rights attributed to each of the shares of the same class.

Shares of the same class issued at the same time shall be issued at the same conditions and same price per share; the same price per share shall be paid for the shares subscribed for by any institution or individual.

- 3.03 Shares issued by the Company shall have a par value that is RMB1.00 per share.

The term “RMB” used in the above paragraph refers to the lawful currency of the PRC.

- 3.04 The Company may issue shares to domestic investors and foreign investors in accordance with laws subject to the registration or recordation of the CSRC.

The foreign investors referred to in the above paragraph mean investors from foreign countries and from Hong Kong, Macao, and Taiwan regions that have subscribed for shares issued by the Company; the domestic investors referred to in the above paragraph mean investors from the PRC, excluding the regions specified above, that have subscribed for shares issued by the Company.

- 3.05 Shares issued by the Company to domestic investors and subscribed for in RMB shall be referred to as “domestic shares”.

Shares issued by the Company to foreign investors and subscribed for in a foreign currency shall be referred to as “foreign shares”. Foreign shares that are listed outside the PRC shall be referred to as “overseas listed foreign shares”.

The holders of both domestic shares and foreign shares are ordinary shareholders, and shall be entitled to the same rights and bear the same responsibilities.

Upon approval by the State Council’s securities regulatory body, domestic shareholders of the Company may transfer their shares to foreign investors, and such shares may be listed and traded overseas. The listing and trading of the shares transferred on an overseas stock exchange shall also comply with the regulatory procedures, regulations, and requirements of the overseas securities market. The listing and trading of such transferred shares on an overseas stock exchange is not subject to voting at a meeting of class shareholders.

- 3.06 Foreign shares issued by the Company and listed in Hong Kong are referred to as H Shares. H Shares are shares that have been approved for listing by the HKEx, with a par value denominated in RMB, and are subscribed for and traded in Hong Kong Dollars (“**HKD**”).
- 3.07 The total number of issued ordinary shares of the Company would be 4,225,067,647, of which 3,451,495,248 would be domestic shares listed in the PRC, accounting for 81.69% of the total number of ordinary shares issued by the Company, and 773,572,399 would be H Shares, accounting for 18.31% of the total number of ordinary shares issued by the Company.

Domestic shares of the Company are centrally entrusted with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. Foreign shares listed on the HKEx are principally entrusted with the Hong Kong Securities Clearing Company Limited, and may also be held by a shareholder in the name of an individual.

- 3.08 Regarding the plan for issuing overseas listed foreign shares and domestic shares by the Company as approved by the CSRC, the Board may arrange for the implementation of such plan through separate issues.

The Company’s plan for the separate issues of overseas listed foreign shares and domestic shares in accordance with the above paragraph may be implemented separately within 15 months of the date of approval by the CSRC.

- 3.09 In issuing the planned shares, the Company shall issue the domestic shares and the overseas listed foreign shares in single tranches respectively. Where there are special circumstances such that the shares cannot be issued in one tranche, the Company may issue the shares in several tranches, subject to approval by the CSRC.

- 3.10 The Company's registered capital will be RMB 4,225,067,647.
- 3.11 Based on the needs of operation and development, the Company may approve of capital increases by the following means in accordance with the provisions of laws and regulations upon resolutions of the shareholders' general meeting:
- (1) public offering of shares;
  - (2) non-public offering of shares;
  - (3) distributing new shares to existing shareholders;
  - (4) converting provident fund into share capital increases;
  - (5) other means permitted by laws and administrative regulations, and CSRC.

- 3.12 The shares of the Company may be transferred according to laws.

The Company shall not accept its shares as the subject of pledge.

- 3.13 Shares of the Company held by the originators shall not be transferred within one year as of the date of incorporation of the Company. Shares of the Company that were issued prior to a public issue shall not be transferred within one year as of the date on which A Shares of the Company are listed and traded on the SZSE.

Directors, supervisors, and senior management personnel of the Company shall declare to the Company their shareholdings in the Company and the changes therein, and shall transfer no more than 25% of their total shareholdings in the Company each year during their term of office. No A Shares held by such individual shall be transferred within one year upon the listing of and dealings in the domestic shares. No A shares held by such individual shall be transferred within half year upon the termination of his or her service with the Company.

- 3.14 In the event that any of the Company's shareholders each holding more than 5% shares in the Company as well as its directors, supervisors, and senior management personnel sell their shares or other securities with an equity nature they held within 6 months after the purchase, or purchase again within 6 months after the sale, all proceeds obtained there from shall be vested in the Company, and the Board of the Company will forfeit such proceeds. However, for a securities company that holds more than 5% shares by buying the remaining shares pursuant to its underwriting arrangement and other circumstances stipulated by the CSRC, the sale of such shares shall be excluded.

For the purpose of the foregoing paragraph, the shares or other securities with the nature of equities held by the Directors, Supervisors, senior management personnel and natural person shareholders shall include the shares or other securities of equity nature held by their spouses, parents and children and held through others' accounts.



In the event that the Board of the Company fails to comply with the provisions set forth in the first paragraph, shareholders have the right to request the Board to implement the related provisions within 30 days. In the event that the Board of the Company fails to implement the requirements within the period specified above, shareholders may initiate litigation in the People's Court directly in their own names for the interest of the Company.

In the event that the Board of the Company does not comply with the provisions of the first paragraph of this Article, the responsible Director or Directors shall bear joint and several liabilities according to the law.

- 3.15 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 financial aid to any person purchasing or intending to purchase the shares of the Company.

## **Chapter 4 Capital Reduction and Share Repurchase**

- 4.01 Under the condition that relevant provisions of national laws and administrative regulations have been complied with, the Company may reduce its registered capital in accordance with the provisions of these Articles.
- 4.02 The Company shall prepare a balance sheet and an inventory of assets when it reduces its registered capital.

The Company shall notify its creditors within 10 days of adopting the resolution to reduce its registered capital, and shall publish an announcement to that effect in the *Securities Times* within 30 days of the said date. Creditor shall be entitled to require the Company to repay its debts in full or to provide a corresponding guarantee of repayment within 30 days of receiving the written notice, or within 45 days of the date of the announcement for those who did not receive the written notice.

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

- 4.03 The Company may purchase its outstanding shares in accordance with procedures provided for in laws, administrative regulations, and these Articles, in the following circumstances:
- (1) deregistration of shares resulting from reduction of share capital of the Company;
  - (2) merger with another company that holds shares in the Company;
  - (3) using the shares for employee shareholding schemes or as share incentives;
  - (4) request from shareholders for the Company to repurchase their shareholdings due to their objection to the resolution of merger or division made at a shareholders' general meeting;

- (5) using the shares for converting bonds issued by the Company to convert them to stocks;
- (6) necessary acts by the Company to protect its value while safeguarding the interests of shareholders.

Unless mentioned above, the Company shall not be involved in the purchases of its own shares.

Purchase of issued shares by the Company shall be conducted in accordance with the provisions of Articles 4.04 to 4.05 of these Articles.

- 4.04 The Company purchase its shares, by open on-market centralized transactions, by making a repurchase offer to all shareholders with the same proportion, by an agreement outside a stock exchange, or by other means authorized by the relevant laws, administrative regulations, and CSRC.

In circumstances categorized under provision (3), (5) and (6) of Article 4.03 of these Articles, the Company shall purchase its shares by open on-market centralized transactions.

- 4.05 When the Company is to purchase shares because of the circumstances categorized under provisions (1) and (2) of Article 4.03, prior approval shall be obtained in shareholders' general meeting; when the Company is to purchase shares because of the circumstances categorized under provisions (3), (5) and (6) set out above, prior approval shall be obtained in board meeting where over two-thirds of the directors are present, with reference to the regulations of the Articles or authorization of the general meeting.

After the Company acquires its shares in accordance with the provisions of Article 4.03 of these Articles, the shares acquired under the circumstances under paragraph (1) shall be cancelled within ten days from the date of acquisition; the shares acquired under circumstances under paragraphs (2) and (4) shall be transferred or cancelled within six months; the shares acquired under the circumstance of paragraphs (3), (5) and (6), the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company and shall be transferred or cancelled within three years.

## **Chapter 5 Rights and Obligations of Shareholders**

- 5.01 The Company shall establish a register of shareholders in accordance with evidence from the securities registration organization, the register of shareholders represents sufficient evidence to prove the holding of shares in the Company by shareholders.

Shareholders shall enjoy rights and have obligations according to the category and number of shares held by them. Holders of shares of the same category shall enjoy equal rights and have equal obligations. The Company's register

of members may be closed pursuant to relevant provisions of the Companies Ordinance.

The Company shall enter into a share custody agreement with the securities registrar to regularly enquire about the information of major shareholders and changes in the shareholdings of major shareholders (including the pledging of shareholdings), so as to keep abreast of the shareholding structure of the Company.

5.02 Shareholders of the Company shall enjoy the following rights:

- (1) Collect dividends and other profit distributions on the basis of the number of shares held by them;
- (2) Request, convene, host, participate, or appoint proxies to participate in shareholders' general meetings in accordance with laws, and exercise corresponding speaking rights and voting rights;
- (3) To monitor, raise suggestions and inquiries about the Company's operation;
- (4) Transfer, gift, or pledge of their shares in accordance with laws, administrative regulations, and these Articles;
- (5) To inspect these Articles of Association, register of shareholders, counterfoils of corporate bonds, minutes of general meetings, resolutions of the Board meetings, resolutions of Supervisory Committee meetings and financial and accounting reports;
- (6) Participate in the distribution of the remaining property of the Company according to their shareholding when the Company is terminated or liquidated;
- (7) Request for the Company to repurchase the shareholdings of shareholders who objects to resolutions of mergers and demergers approved in shareholders' general meetings;
- (8) Other rights conferred by laws, administrative regulations, departmental regulations and these Articles.

5.03 Shareholders who request for the information described in the previous Article shall provide written documentation as proof of their shareholdings' category and amount. The Company shall provide the information as requested upon confirmation of the identification of the shareholders.

5.04 Shareholders have the right to apply to the civil courts for contents of resolutions of shareholders' general meetings and board meetings that are in violation of laws and administrative regulations to be found invalid.

In the event that the convening and voting procedures of shareholders' general meetings and board meetings that are in violation of laws, administrative regulations, or these Articles, or the contents of resolutions are in violation of these Articles, shareholders have the right to apply to the civil courts for revocation within 60 days of the date of resolutions.

- 5.05 In the event that directors and senior management staff violate laws, administrative regulations, or these Articles whilst performing duties of the Company, resulting in losses for the Company, shareholders that individually or jointly hold over 1% of shares of the Company and continuously for over 180 days have the right to request the Supervisory Committee to begin legal proceedings in the civil courts by written application; in the event that the Supervisory Committee violate laws, administrative regulations, or these Articles whilst performing duties of the Company, resulting in losses for the Company, shareholders described above have the right to request the Board to begin legal proceedings in the civil courts by written application.

In the event that the Supervisory Committee or the Board refuse to begin legal proceedings after receiving the written request of shareholders described in the previous provision, or have not begun legal proceedings within 30 days of receiving the written request, or do not begin legal proceedings immediately under urgent circumstances that will lead to irreparable losses to the interests of the Company, the shareholders described in the previous provision have the right to begin legal proceedings directly with the civil courts for the best interests of the Company.

In the event that the lawful rights of the Company are violated by others resulting in losses, shareholders described in the first provision of this Article may begin legal proceedings with the civil courts in accordance with the previous provisions of this Article.

- 5.06 In the event that directors and senior management staff act in violation of laws, administrative regulations, or these Articles, resulting in the loss of interests of shareholders, shareholders may begin legal proceedings with the civil courts.

- 5.07 Shareholders of the Company shall have the following obligations:

- (1) Abide by laws, administrative regulations, and these Articles;
- (2) To pay subscription fees on the basis of the shares subscribed by them and the method of capital injection;
- (3) Shall not give up their shares other than in circumstances stipulated by laws or regulations;
- (4) Shall not abuse shareholder rights to damage the interests of the Company or other shareholders; Shall not abuse the independent position and limited liability of the corporate judicial person to damage the interests of the debtors of the Company; Shareholders that abuse their shareholder rights and cause losses for the Company or other shareholders shall be held responsible for compensation in accordance with laws. Shareholders that abuse the independent position and limited liability of the corporate judicial person and evade debts, resulting in serious damages to the interests of debtors of the Company, shall be held responsible for all associated responsibilities of Company debts.
- (5) Other obligations imposed by laws, administrative regulations, and these

## Articles.

- 5.08 The controlling shareholder and actual controller of the Company shall not exploit their connected relations to damage the interests of the Company. In the event that a violation of this regulation results in losses for the Company, they shall be responsible for compensation.

The controlling shareholder and actual controller of the Company have the obligation of integrity towards the Company and social public share shareholders of the Company. The controlling shareholder shall strictly perform the rights of investors in accordance with laws. The controlling shareholder shall not exploit dividend distributions, capital restructures, external investments, funds occupancies, loan guarantees, and other methods to damage the legal rights of the Company and social public share shareholders, and shall not exploit the controlling position to damage the rights of the Company and social public share shareholders.

The controlling shareholder and actual controller of the Company shall not exercise any authority solely due to any persons that possess direct or indirect rights and did not disclosure such rights to the Company, and shall not use freezing or other methods to damage the rights associated with shares.

- 5.09 A “controlling shareholder” means a shareholder who holds ordinary shares (including preference shares with restored voting rights) of more than 50% of the total share capital of the Company or who holds less than 50% of the total share capital but holds voting rights sufficient to have a material impact on resolutions of the shareholders’ general meeting.

A “de facto controller” means a person, though not a shareholder, but through investment relationship, agreement, or other arrangement, can actually control the activities of the Company.

- 5.10 Shareholders that hold over 5% of shares of the Company with voting rights and intend to pledge their shareholding shall submit a written report to the Company on the day of such action.

## **Chapter 6 The Shareholders’ General Meetings**

- 6.01 The shareholders’ general meeting shall be the authoritative organization of the Company and shall exercise the functions and powers in accordance with laws.

- 6.02 The shareholders’ general meeting shall exercise the functions and powers to:

- (1) decide on the business policies and investment plans of the Company;
- (2) elect and replace non-employee represented Directors and Supervisors, and decide on matters concerning the remuneration of Directors and

Supervisors;

- (3) deliberate and approve reports of the Board;
- (4) deliberate and approve reports of the Supervisory Committee;
- (5) deliberate and approve the annual financial budget and final account proposals of the Company;
- (6) deliberate and approve the Company's plans for profit distribution and making up losses;
- (7) make resolutions concerning the increase or reduction of the Company's registered capital;
- (8) make resolutions concerning the issuance of corporate bonds;
- (9) make resolutions on matters such as the mergers, divisions, dissolution, liquidation, or changes to the structure of the Company;
- (10) amend these Articles;
- (11) make resolutions on the employment, dismissal of the accounting firms by the Company;
- (12) deliberate the proposals raised by shareholders representing 3% or more of the Company's voting shares;
- (13) deliberate and approve the guarantees described in Article 6.03 of these Articles;
- (14) deliberate the Company's (including its Subsidiaries') significant acquisition or sales of material assets conducted within the period of one year with a value exceeding 30% of the latest audited total assets of the Company;
- (15) decide the connected transactions as required to be decided in the shareholders' general meetings in accordance with the provisions of the SZSE;
- (16) deliberate and approve changes to the usage of raised funds;
- (17) deliberate the share incentive schemes and employee shareholding schemes;
- (18) deliberate other matters as required to be decided in the shareholders' general meetings in accordance with laws, administrative regulations, departmental regulations, these Articles, and the listing rules of the place of listing of the Company.

6.03 Any of the following external guarantees to be provided by the Company shall be subject to the deliberation and approval of the shareholders' general meeting:

- (1) any subsequent guarantee provided by the Company and its holding subsidiaries after the total amount of external guarantees exceeds 50% of the latest audited net assets;
- (2) any subsequent guarantee provided by the Company and its holding subsidiaries after the total amount of external guarantees exceeds 30% of the latest audited total assets;
- (3) any guarantee provided to any party with a gearing ratio of over 70%;
- (4) any single guarantee exceeding 10% of the latest audited net assets;
- (5) any subsequent guarantee after the accumulated amount of guarantees

within the last 12 months exceeds 30% of the latest audited total assets of the Company;

- (6) any guarantee provided to shareholders, actual controllers, and their respective connected parties.

In case of any violation of the approval authority of the shareholders' general meeting and the Board for external guarantee as stipulated under these Articles and causing loss to the Company, relevant officer shall be liable for economic compensation. If the case is serious and constitutes a crime, it shall be submitted to the judicial authority according to the relevant laws.

- 6.04 The shareholders' general meetings shall be divided into the annual general meeting ("AGM") and the extraordinary general meeting ("EGM"). The AGM shall be convened once a year and shall be held within six months following the end of the preceding fiscal year.

The Company shall convene an EGM within two months of the occurrence of any of the following circumstances:

- (1) the number of Directors is less than the number provided for in the Company Law of the PRC or less than two-thirds of the total as required by these Articles;
- (2) the losses of the Company that have not been made up reach one-third of the total paid-in share capital of the Company;
- (3) shareholders, individually or jointly, holding more than 10% of the Company's voting shares, request to convene an EGM;
- (4) when deemed necessary by the Board or proposed by the Supervisory Committee;
- (5) other circumstances as required by laws, administrative regulations, departmental regulations, or these Articles.

- 6.05 The location of the shareholders' general meetings shall be at the address of the Company, or an alternative location that is clearly stated in the notice of shareholders' general meetings.

The shareholders' general meetings shall have a conference setting, and be held in an on-site form. The Company will also provide online or other methods for the convenience of shareholders' participation. Shareholders that participate in the shareholders' general meetings through the methods described above shall be considered in attendance.

Once the notice of a shareholders' general meeting is issued, the venue of the on-site general meeting shall not be altered without proper reasons. In the event of alteration, the convener shall make an announcement to state the reasons at least two (2) trading days prior to the convening date of the on-site meeting.

6.06 The Company shall engage lawyers for the shareholders' general meetings to provide, and subsequently announce, legal opinions on the following issues:

- (1) whether the convening of the meeting and the meeting process is compliant with laws, administrative regulations, and these Articles;
- (2) whether the attendees and conveners of the meeting are legally qualified to do so;
- (3) whether the voting process and poll results of the meeting are legally valid;
- (4) as requested by the Company, the legal opinions issued on other related matters.

6.07 Independent directors have the right to propose the convening of an EGM to the Board. In response to the proposal from the independent directors for the convening of an EGM, the Board shall, in accordance with laws, administrative regulations, and these Articles, provide a written feedback within 10 days after receiving the proposal with respect to whether it agrees with the proposal to convene an EGM.

In the event that the Board agrees to convene an EGM, a notice of the shareholders' general meeting shall be given within 5 days of such resolution by the Board; in the event that the Board disagrees with the convening of an EGM, the reasons for such shall be stated and announced.

6.08 The Supervisory Committee has the right to propose to the Board for the convening of an EGM, and such proposal shall be made in writing to the Board. The Board shall, in accordance with laws, administrative regulations, and these Articles, provide a written feedback within 10 days after receiving the proposal with respect to whether it agrees with the proposal to convene an EGM.

In the event that the Board agrees to convene an EGM, a notice of shareholders' general meetings shall be given within 5 days of such resolution by the Board. Alterations to the original proposals in the notice shall be approved by the Supervisory Committee.

In the event that the Board disagrees with the convening of an EGM, or fails to provide any feedback within 10 days after receiving the proposal, the Board shall be considered to be unable or unwilling to perform the obligation to convene a shareholders' general meetings. The Supervisory Committee may at its sole discretion convene and preside over the EGM in accordance with these Articles.

6.09 Shareholders that, either individually or jointly, hold over 10% of shares of the Company have the right to propose to the Board for the convening of an EGM, and such proposal shall be made in writing to the Board. The Board shall, in



accordance with laws, administrative regulations, and these Articles, provide a written feedback within 10 days after receiving the proposal with respect to whether it agrees with the proposal to convene an EGM.

In the event that the Board agrees to convene an EGM, a notice of the shareholders' general meeting shall be provided within 5 days of such resolution by the Board. Alterations to the original proposals in the notice shall be approved by the relevant shareholders.

In the event that the Board disagrees with the convening of an EGM, or fails to provide any feedback within 10 days after receiving the proposal, shareholders that, either individually or jointly, hold over 10% of shares of the Company have the right to propose to the Supervisory Committee for the convening of an EGM, and such proposal shall be made in writing to the Supervisory Committee.

In the event that the Supervisory Committee agrees to convene an EGM, a notice of the shareholders' general meeting shall be provided within 5 days of such resolution by the Board. Alterations to the original proposals in the notice shall be approved by the relevant shareholders.

In the event that the Supervisory Committee did not provide a notice of the shareholders' general meeting within the specified timeframe, the Supervisory Committee shall be considered to be unwilling to convene and preside over the shareholders' general meeting. The shareholders that, either individually or jointly, hold over 10% of shares of the Company for a period of 90 consecutive days or more may at their sole discretion convene and preside over the EGM in accordance with these Articles.

- 6.10 In the event that the Supervisory Committee or shareholders at the sole discretion decide to convene a shareholders' general meeting, it shall notify the Board of the same in writing, as well as file with the securities exchanges.

Prior to the publication of the resolutions of the shareholders' general meeting, the shareholders, either individually or jointly, of shareholders that intend to convene the meeting shall not fall below 10% for 90 consecutive days.

Whilst publishing the notice and resolutions of the shareholders' general meeting, the Supervisory Committee or shareholders that intend to convene the meeting shall provide related validation materials to the securities exchanges.

- 6.11 The Board and the Secretary of the Board shall provide cooperation for the shareholders' general meetings convened by the Supervisory Committee or shareholders at the sole discretion. The Board shall provide the register of members as of the date of record.

The Company shall be responsible for all necessary fees related to the shareholders' general meetings convened by the Supervisory Committee or shareholders at the sole discretion.

- 6.12 Proposals of the shareholders' general meetings shall fall within the purview of the shareholders' general meetings, and shall have clear discussion subjects and specific matters to be resolved, and be in compliance with the relevant provisions of laws, administrative regulations, and these Articles.
- 6.13 When the Company is to hold an AGM, it shall give a written notice to its shareholders 21 days prior to the meeting, When the Company is to hold an EGM, it shall give a written notice to its shareholders 15 days prior to the meeting.
- 6.14 When the Company convenes a shareholders' general meeting, the Board, the Supervisory Committee, and shareholders that, either individually or jointly, hold more than 3% of shares of the Company have the right to make proposals to the Company. The Company shall include all matters in the proposals that fall within the purview of the shareholders' general meeting into the agenda of this meeting.

Shareholders that, individually or jointly, hold more than 3% of shares of the Company can make and deliver the temporary proposals to the convener in writing 10 days or more prior to the shareholders' general meeting. The convener shall give a supplementary notice of the shareholders' general meeting within 2 days after receiving such proposals, and announce the contents of the temporary proposals.

Other than circumstances stipulated in the above provision, proposals already listed in the notice of the shareholders' general meeting shall not be altered and new proposals shall not be added following the issuance of the announcement of the notice of the shareholders' general meeting by the convener.

Proposals that are not clearly listed in the notice of the shareholders' general meeting or are not in compliance with Article 6.12 of these Articles shall not be voted on and decided during the shareholders' general meeting.

- 6.15 A notice of the shareholders' general meeting shall include the following:
  - (1) specify the place, date and time of the meeting;
  - (2) the matters and proposals submitted to the meeting for deliberation;
  - (3) contain conspicuously a statement that all ordinary shareholders are entitled to attend the shareholders' meeting and may appoint a proxy in writing to attend and vote on their behalf, and that such proxy need not

- also be a shareholder;
- (4) state the record date for shareholders entitled to attend the meeting;
  - (5) state the name and telephone number of the contact person for the meeting;
  - (6) voting time and voting procedures by online or other means.

If a shareholders' general meeting is convened by the Supervisory Committee or shareholders at the sole discretion in accordance with these Articles, provisions of this Article are applicable to the notice of such shareholders' general meeting.

- 6.16 Notices and supplementary notices of a shareholders' general meeting shall fully and completely disclose all detailed contents of all proposals. For matters to be discussed that require opinions from the independent directors, the opinions of the independent directors and reasons thereof shall be simultaneously disclosed with the notice or supplementary notice of the shareholders' general meeting.

The time to start voting via internet or by other means shall not be earlier than 3:00 p.m. of the day preceding the date of the onsite general meeting or later than 9:30 a.m. of the date of the onsite general meeting, and shall not conclude earlier than 3:00 p.m. of the date of the onsite general meeting.

The duration between the record date of shareholdings and the date of meeting shall be not more than 7 working days. The record date of shareholding, once confirmed, shall not be changed.

- 6.17 If matters relating to election of Directors and Supervisors are proposed to be discussed at a shareholders' general meeting, detailed information concerning the candidates shall be fully disclosed in the notice of the shareholders' general meeting, which shall at least include the following:

- (1) educational background, work experience and all other positions undertaken on a part - time basis;
- (2) whether the candidates are connected with the Company, its controlling shareholders or de facto controllers;
- (3) disclosing the candidates' shareholdings in the Company;
- (4) whether the candidates have been subject to any punishment by the CSRC or other relevant department or to any sanction by any stock exchange.

Unless a Director or Supervisor is elected via the cumulative voting system, each candidate for Director or Supervisor shall be proposed via a single resolution.

- 6.18 Following the issuance of the notice of the shareholders' general meeting, without proper cause, the shareholders' general meetings shall not be

postponed or cancelled, and proposals listed in the notice of a shareholders' general meeting shall not be cancelled. In the event that postponement or cancellation occurs, the convener shall publish an announcement and explain the reasons thereof at least 2 working days prior to the original meeting date.

- 6.19 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the meeting and the resolutions made at that meeting.
- 6.20 All shareholders or their proxies as registered on the record date shall have the right to attend the shareholders' general meetings, and may exercise their right to vote in accordance with relevant laws, regulations, and these Articles.

Shareholders may attend the shareholders' general meetings in person, or may also appoint a proxy to attend and vote on their behalf.

In the event that such shareholder is a recognized clearing house (or its proxy), such shareholder may authorize one or more suitable persons to act as its representative at any shareholders' general meeting or at any class shareholders' general meetings; however, if more than one person is authorized, the power of attorney shall clarify the amount and type of shares associated with such persons' authorization. The persons who have received such authorization may exercise the rights on behalf of the recognized clearing house (or its proxy), as if such persons were an individual shareholder of the Company.

- 6.21 Individual shareholders attending a meeting in person shall present their personal identification card or other valid documentation, proof, or stock account card that can clarify their identity; proxies attending a meeting on behalf of shareholders shall present their valid personal identification card and the power of attorney signed by the shareholders.

Corporate shareholders shall attend the meeting through their legal representative or proxies authorized by the legal representative. In the event that the legal representative is in attendance, such persons shall present their personal identification card and valid proof to show that they qualify as the legal representative; in the event that proxies are in attendance, such proxies shall present their personal identification card and the power of attorney issued by the legal representative of the corporate shareholder.

The power of attorney shall clarify the number of shares represented by the proxy.

- 6.22 In the event that the power of attorney is signed by another person authorized by the entrusting party, the power of attorney or other authorization documents authorizing the signature shall be notarized. The notarized power of attorney

or other authorization documents shall be placed together with the power of attorney appointing a voting proxy at the domicile of the Company or at such other place as specified in the notice of the meeting.

In the event that the entrusting party is a legal person, once the power of attorney is signed by the official authorized representative, its legal representative or any person authorized by the Board or by other decision-making body shall attend the Company's shareholders' general meeting as a representative.

- 6.23 The power of attorney issued by shareholders to appoint proxies to attend a shareholders' general meeting shall clarify the following details:
- (1) Name of proxies;
  - (2) Whether or not they have voting rights;
  - (3) Instructions to vote for, against, or abstain for each of the matters to be deliberated set forth in the agenda of the shareholders' general meeting;
  - (4) Date of issuance and the valid term of the power of attorney;
  - (5) Signature (or seal) of the entrusting party.
- 6.24 The power of attorney shall specify that if no instruction is given by a shareholder, whether the proxy may vote according to his own will.
- 6.25 A vote given by a proxy in accordance with a power of attorney shall be valid notwithstanding the death or incapability of the entrusting party, 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, provided that no notice in writing of such matters as aforesaid shall have been received by the Company before the commencement of the meeting in connection therewith..
- 6.26 The Company shall be responsible for the preparation of the meeting attendance register. The meeting attendance register shall state the name (or name of shareholders), personal identification number, registered address, number of shares with voting rights held or represented, name of person being represented (or name of shareholders), and other matters of the persons in attendance of the meeting.
- 6.27 The convener and lawyers retained by the Company shall jointly verify the legitimacy of the qualifications of shareholders in accordance with the register of members provided by the securities registration and clearing authority and appointed foreign agencies, and shall register the names (or aliases) of shareholders and the respective number of shares with voting rights held. The chairman of the meeting shall announce the number of shareholders and proxies physically present at the meeting and the total number of shares with voting rights held prior to the voting on the meeting. The meeting registration shall come to a close before the chairman of the meeting announces the number

of shareholders and proxies physically present at the meeting and the total number of shares with voting rights held. The meeting registry shall represent the official data for the number of shareholders and proxies physically present at the meeting and the total number of shares with voting rights held.

- 6.28 When convening a shareholders' general meeting, all Directors, Supervisors and the Secretary of the Board of the Company shall attend the meeting. The senior management personnel shall attend the meeting as participants.
- 6.29 The Chairman of the Board shall preside the shareholders' general meeting. If the Chairman of the Board is unable to attend the meeting, the vice-chairman of the Board shall convene and act as the chairman of the shareholders' general meeting. If both the Chairman and vice-chairman are unable to attend the meeting, the meeting shall be chaired by a Director jointly nominated by more than half of the Directors.

The chairman of the Supervisory Committee shall preside over the shareholders' general meetings convened by the Supervisory Committee at its sole discretion. In the event that the chairman of the Supervisory Committee is unable to or fails to fulfill the required obligations, the meeting shall be presided over by a Supervisor jointly nominated by more than half of the Supervisors.

For the shareholders' general meetings convened by shareholders at their sole discretion, the convener shall nominate a representative to preside over the meeting.

In the event that the chairman violates the procedural regulations during the shareholders' general meeting that results in the shareholders' general meeting being unable to continue, upon approval by more than half of the shareholders with voting rights present at the meeting, a person may be nominated to chair the shareholders' general meeting and the meeting may continue.

- 6.30 The Company shall formulate the shareholders' general meeting's procedural regulations, detailing the convening and voting procedures of the shareholders' general meeting, including notices, registration, deliberation of proposals, voting, vote counting, announcement of poll results, formulation of meeting resolutions, meeting minutes and its signature and announcement, etc., and the principles and contents of authorization by the shareholders' general meeting to the Board shall be clear and detailed. The shareholders' general meeting's procedural regulations shall be prepared by the Board, approved by the shareholders' general meeting, and included in the Appendix of these Articles.
- 6.31 On the annual general meeting of shareholders, the Board and Supervisory Committee shall report on their work over the last year. Each of independent directors shall also report on their work.

- 6.32 The Directors, Supervisors, and senior management personnel shall provide responses and explanations to the queries or recommendations raised by the shareholders at a shareholders' general meeting.
- 6.33 The minutes of the shareholders' general meeting shall be kept, and shall be prepared by the Secretary of the Board. The minutes shall record the following contents:
- (1) The time, place, agenda, and name or alias of the convener of the meeting;
  - (2) The name of the chairman of the meeting and those of the Directors, Supervisors, the president, and other senior management personnel who attend the meeting as attendees and participants;
  - (3) The number of shareholders and proxies present at the meeting, the total number of shares with voting rights held and the percentage in terms of the total share capital of the Company;
  - (4) The deliberation, key points, and poll results of every proposal;
  - (5) Queries or recommendations of the shareholders and the corresponding response or explanation in relation thereto;
  - (6) The Names of lawyers, vote counters, and scrutineers;
  - (7) Other contents that are required to be recorded into the minutes by these Articles.
- 6.34 The convener shall ensure that the content of the minutes shall be true, accurate and complete. Minutes of the shareholders' general meeting shall be recorded by the Secretary and signed by the Directors, Supervisors, Secretary of the Board, the convener or its representative and the chairman of the meeting presented in the meeting. The minutes shall be kept for a minimum of 10 years, and filled with attendance register of shareholders present, power of attorney of proxies, and valid documents regarding to the online and other methods of voting.
- 6.35 The convener shall ensure that a shareholders' general meeting is held on a continuous basis until a final resolution is adopted. If a shareholders' general meeting is suspended or no resolution can be adopted due to force majeure or other exceptional reasons, necessary measures shall be taken so as to promptly re-convene the shareholders' general meeting or to directly terminate the shareholders' general meeting, and public announcement relating thereto shall also be made on a timely basis. At the same time, the convener shall report the same to the branches of CSRC and the relevant stock exchanges.
- 6.36 Resolutions of the shareholders' general meeting shall be divided into the Ordinary Resolution and Special resolution.

An Ordinary Resolution by a shareholders' general meeting shall require the approval of shareholders (including proxies) representing more than half of

the voting rights present at the meeting.

A Special Resolution by a shareholders' general meeting shall require the approval of shareholders (including proxies) representing more than two-thirds of the voting rights present at the meeting.

- 6.37 When shareholders (including proxies) vote at a shareholders' general meeting, they shall exercise their voting rights according to the number of shares with voting rights represented by them. Each share shall carry one voting right.

Shares of the Company held by the Company do not have voting rights, and such portion of shares shall not be calculated into the total number of shares with voting rights represented at the shareholders' general meeting.

Voting for medium and small investors shall be separately counted for major events of deliberation of shareholders' meeting affecting profits of medium and small investors. The results of separate counting shall be public disclosure in time.

If a Shareholder purchases any voting shares of the Company in violation of paragraphs 1 and 2 of article 63 of the Securities Law of the PRC, voting rights of the shares exceeding the prescribed percentage shall not be exercisable within 36 months after the purchase, and such shares shall not be counted in the total number of voting shares at the shareholders' general meeting.

The Board, independent directors, Shareholders holding more than 1% of the total voting shares of the Company or investor protection corporation established in accordance with laws, administrative regulations and the provisions of the CSRC may publicly collect voting rights from shareholders. Information of specific voting intention shall be fully disclosed to the collected for collection of voting rights from shareholders. It's forbidden to collect voting rights of shareholders in way of compensation or disguised compensation. Save for the statutory conditions, the company cannot impose a minimum shareholding percentage threshold for the collection of voting rights.

- 6.38 When a shareholders' general meeting is deliberating matters relating to connected transactions, the relevant connected shareholders may not exercise any voting rights, and the voting rights represented by the number of shares held by such connected shareholders shall not be calculated in the total number of shares valid and voting. The announcement of the resolutions of the shareholders' general meeting must fully disclose the results of the non-connected shareholders' voting.

Procedures for recusal of connected shareholders from voting:



(1) A connected shareholder shall take the initiative to apply to the convener for recusal before the general meeting, otherwise other shareholders shall have the right to apply to the convener for recusal of the connected shareholder;

(2) The connected shareholders may participate in the consideration and deliberation of the motions of connected transactions;

(3) The non-connected shareholders attending the general meeting shall vote in accordance with the provisions of the Articles of Association and the Rules of Procedure for the General Meeting on the proposal of the connected transaction that the connected shareholders have recused themselves from voting on it;

(4) Connected shareholders and their proxies shall not participate in vote counting or vote monitoring, and shall not be entrusted to vote on behalf of other non-connected shareholders; and

(5) The number of voting shares represented by the connected shareholders shall not be counted towards the total number of valid votes.

6.39 Other than the Company being in crisis and other special circumstances, the Company shall not enter into contracts for the delegation of the management of the whole or part of major businesses of the Company to persons other than Directors and senior management personnel without the approval of special resolutions at the shareholders' general meeting.

6.40 The list of candidates for Directors and Supervisors shall be proposed to the shareholders' general meetings for deliberation. The Board shall announce to the shareholders the curriculum vitae ("CV") and basic information of candidates for Directors and Supervisors.

(1) Candidates for Directors and Supervisors that are not employee representatives of the Company can be nominated by the Board and the Supervisory Committee, respectively;

(2) Shareholders that individually or jointly hold more than 3% of shares shall have the right to nominate candidates for non-independent directors and supervisors that are not employee representatives; shareholders that individually or jointly hold more than 1% of shares or the Supervisory Committee shall have the right to nominate candidates for independent directors. However, the nominees of independent directors shall not nominate individuals with interests or other closely related individuals who may affect their independent performance as independent director candidates. Written notice concerning the shareholders' proposed nominations of candidates for Directors and Supervisors as described above shall be sent to the Board as a single motion no later than 10 days prior to the shareholders' general meeting is convened, together with the

detailed information of the candidates for Directors and Supervisors as required under Article 6.17 of these Articles. The total number of candidates for Directors and Supervisors nominated by each shareholder shall be no more than the total number of vacancies of Directors and Supervisors. The Board shall verify the relevant information of candidates under the provisions of Article 6.17 of these Articles within 2 days after receiving such nominations submitted by the shareholders as described above in accordance with the provisions. For the nominations of qualified candidates for Directors and Supervisors, the Board shall submit as a provisional motion to the shareholders' general meeting and publish a timely announcement or supplementary circular; for the nominations of unqualified candidates for Directors and Supervisors, the Board shall provide a timely explanation to the nominator; The Board shall evaluate whether it is necessary to postpone the shareholders' general meeting at which the nominated director candidates as described above shall be elected, in order to give shareholders at least 10 business days to consider the relevant information disclosed in the announcement or the supplementary circular.

- (3) Supervisors that are employee representatives shall be democratically elected through the association of employee representatives of the Company;
- (4) The cumulative voting system shall be adopted if a sole shareholder and its concert parties are interested in 30% or more of the shares of the Company; The cumulative voting system shall be adopted if more than two independent directors were elected by the general meeting. The term "cumulative voting system" used in the previous provision refers to during the election of Directors and Supervisors at the shareholders' general meeting, voting rights of each share shall be the same as the number of candidates for Directors or Supervisors. Shareholders with voting rights may cast all votes to one candidate.

Shareholders' meeting shall abide by the following rules when electing directors and supervisors by cumulative voting:

- (I) The number of director or supervisor candidates can be larger than the number to be elected in shareholders' meeting, but the candidate number voted by each shareholder cannot exceed the number of director or supervisor to be elected in shareholders' meeting. The summation of allocated votes cannot exceed vote owned by shareholders; otherwise, the vote shall be cancelled;
- (II) Separate voting shall be implemented for independent directors and non-independent directors. When electing independent directors, the vote that every shareholder has the right to obtain shall equal to product of stock number held by themselves multiplying the number of independent directors to be elected, which can be only voted to candidates of independent directors of the company. When electing

non-independent directors, the vote that every shareholder has the right to obtain shall equal to product of stock number held by themselves multiplying the number of non-independent directors to be elected, which can be only voted to candidates of non-independent directors of the company.

- (III) The final elect shall be determined on votes of director or supervisor candidates, but the least votes of each elect must exceed half of sum of shares held by shareholders attending shareholders' meeting (including shareholder agents). Where the elected directors or supervisors are less than the number of directors or supervisors that shareholders' meeting plans to elect, additional voting shall be taken for all director and supervisor candidates with insufficient votes on gaps; if it remains insufficient, by-election shall be taken on the next shareholders' meeting of the company. If more than two director or supervisor candidates get same votes but only part of them can be elected due to limit of planned number, separate vote and election needs taking again for the director and supervisor candidates with same votes.

- 6.41 Voting at general meeting will record the name of the voter, that is, by open ballot.

Shareholders who attend the general meeting shall express one of the following indications about the proposal submitted for voting: for, against or abstain. Securities registration and clearing institution is the nominee holder of shares transacted through the mutual connection mechanism between stock markets in Mainland China and Hong Kong, except for reporting on indications expressed by beneficial shareholders.

Blank, invalid and illegible votes, and votes that are not submitted by the voter shall be considered as abstention from voting, and the voting of such shares held by such voters shall be counted under "abstention" of the poll results.

Where any shareholder is under the Listing Rules of the HKEx required to abstain from voting or restricted to voting only for or only against any particular matter to be resolved, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

- 6.42 Other than the cumulative voting system, the shareholders' general meeting shall vote on each proposal separately. For matters that contain different proposals, voting shall be in the order of the time that each proposal was proposed. Other than force majeure and other special circumstances that cause the suspension of and failure to make resolutions at the shareholders' general meeting, the shareholders' general meeting shall not postpone or refuse to vote on resolutions.

- 6.43 Resolutions may not be amended during the deliberation at the shareholders' general meeting, otherwise, the relevant amendments shall be considered as a new proposal, and shall not be voted on during this shareholders' general meeting.
- 6.44 Each individual voting right shall only choose to vote by one of on-site, online, or any other voting method. In the event that an individual voting right voted more than once, the results of the first vote shall prevail.
- 6.45 Before a resolution is decided on a proposal at a shareholders' general meeting, two representatives of the shareholders shall be nominated to participate in counting the votes as well as supervising the counting process. When shareholders are related parties in the matters under deliberation, the relevant shareholder and his proxies shall not participate in counting the votes or supervising the counting process.

When a resolution is decided on a proposal at a shareholders' general meeting, legal advisers, representatives of shareholders and representatives of Supervisors shall jointly participate in counting the votes as well as supervising the counting process. They shall announce the voting results to the meeting. The voting results in connection with the resolution shall be recorded in the minutes.

Shareholders or proxies that vote through online or other methods have the right to inspect their voting results through the respective voting platforms.

- 6.46 A shareholders' general meeting shall not be declared closed for shareholders who attend in person at a time earlier than for those shareholders who attend via internet or other permitted means. The chairman of the meeting shall announce to the meeting the voting details and results of each proposal and shall declare whether or not a proposal is adopted on the basis of the relevant voting results.

Prior to formally announcing the voting results, all those who are involved in the meeting whether in person or via internet or other permitted means, including any companies, persons responsible for counting the votes, persons responsible for supervising the counting process, major shareholders, internet service providers and other relevant parties shall have the obligation to keep matters related to voting confidential.

- 6.47 If the chairman of the meeting has any doubt about the results of voting resolutions, a vote count may be organized for the submitted votes; shareholders or proxies attending the meeting that disagree with the results announced by the chairman of the meeting have the right to request a vote count immediately after the announcement of the poll results, and the chairman of the meeting shall immediately organize a vote count.

- 6.48 The resolutions of a shareholders' general meeting shall be promptly announced, and the announcement shall include the number of shareholders and proxies attending the meeting, total number of shares with voting rights held and its percentage with respect to the total number of shares with voting rights of the Company, voting method, poll results of each proposal, and detailed information of each resolution that was approved.
- 6.49 Special notification shall be made in the results announcement of the shareholders' general meeting for resolutions that were not approved, or resolutions of the previous shareholders' general meeting that were amended in this shareholders' general meeting.
- 6.50 After the approval by the shareholders' general meeting of resolutions regarding the election of Directors and Supervisors, the term of office of new Directors and Supervisors shall begin on the day after the approval of the resolution by the shareholders' general meeting.
- 6.51 The following matters shall be resolved by way of Ordinary Resolutions at the shareholders' general meeting:
- (1) work reports of the Board and Supervisory Committee;
  - (2) Plans for the profits distribution and making up of losses formulated by the Board;
  - (3) the appointment and removal of members of the Board and Supervisory Committee, their remuneration and method of payment of their remuneration;
  - (4) the annual budget, final accounts of the Company;
  - (5) the annual report of the Company;
  - (6) other matters except those required to be adopted by special resolution in accordance with the provisions of law or administrative regulations or the Company Articles.
- 6.52 The following matters shall be resolved by way of Special Resolutions at the shareholders' general meeting:
- (1) increase or decrease in registered capital of the Company;
  - (2) Issuance of shares, convertible corporate bonds, preferred stocks and other securities recognized by the CSRC;
  - (3) Division, merger, dissolution, liquidation or change in corporate form of the Company;
  - (4) Spin off its subsidiaries and listing;
  - (5) Amendments of these Articles (including rules of procedure for the general meeting, rules of procedure for the Board, rules of procedure for the Supervisory Committee);
  - (6) purchase or disposal of substantial assets or guarantee in consecutive 12

months with an amount exceeding 30% of the total assets of the Company according to rules 6.1.8 and 6.1.10 under listing rules of SZSE;

- (7) Stock incentive plans;
- (8) Share repurchases by the Company for the purpose of reducing registered capital;
- (9) Major asset restructuring;
- (10) The resolution made by the Company's general meeting decides to voluntarily withdraw its shares from the stock exchange and decide not to trade on the exchange or apply for trading or transfer on other trading venues; and
- (11) Other matters required by laws, administrative regulations, or these Articles, and matters as resolved by way of ordinary resolutions by the shareholders' general meetings that may have a significant impact on the Company and require approval by way of special resolutions.

The proposals mentioned in items (4) and (10) of the preceding paragraph shall, in addition to being approved by more than two-thirds of the voting rights held by the shareholders attending the general meeting of shareholders, be approved by more than two-thirds of the voting rights held by shareholders present at the meeting other than the directors, supervisors, senior management of the listed company and shareholders who individually or collectively hold more than 5% of the shares of the listed company.

Other matters which are provided in the laws, administrative or these Articles, and resolved by shareholders by Ordinary Resolutions and are considered by the shareholders to be material to the Company and are required to be passed by Special Resolutions.

## **Chapter 7 Special Procedures about Voting of the Class Shareholders**

7.01 Holders of different classes of shares are class shareholders.

Class shareholders shall have the same rights and obligations in accordance with law, administrative regulations and these Articles.

7.02 Rights conferred on any class shareholder may not be varied or abrogated unless approved by a Special Resolution at the shareholders' general meeting and by shareholders of that class at a separate shareholders' general meeting held in accordance with Articles 7.04 to 7.08 of these Articles.

7.03 The following shall be deemed to be a variation or abrogation of the class rights:

- (1) to increase or decrease the number of shares of such class, or increase or decrease the number of shares of a class having voting or distribution

- rights or other privileges equal or superior to the shares of such class;
- (2) to effect a conversion of all or a part of the shares of such class into another class or to effect a conversion or create a right of conversion of all or part of the shares of another class into the shares of such class;
  - (3) to remove or reduce rights to dividends, rights to accrued dividends or rights to cumulative dividends of such class;
  - (4) to reduce or remove the preferential rights to dividends of such class or the preferential rights to asset distributions of such class upon liquidation of the Company;
  - (5) to add, remove to reduce the rights to conversion, option, voting, transfer, preferential placement or acquisition of the Company's securities of such class;
  - (6) to remove or reduce the rights to receive payment in particular currencies of such class;
  - (7) to create a new class of shares having voting or distribution rights or other privileges equal or superior to the shares of such class;
  - (8) to restrict the transfer or ownership of the shares of such class or add to such restrictions;
  - (9) to issue rights to subscribe for, or to convert into, shares in the Company of such class or another class;
  - (10) to increase the rights or privileges of another class;
  - (11) to restructure the Company where the proposed restructuring will result in different classes of shareholders bearing a disproportionate burden of such proposed restructuring;
  - (12) to vary or abrogate the provisions of these Articles.

7.04 Shareholders of the affected class, whether or not otherwise having voting rights at the shareholders' general meeting, shall have the right to vote at meetings of class shareholders with respect to matters involving items (2) to (8) and (11) to (12) of Article 7.03. However, interested shareholders shall not have the right to vote at class meetings.

The term "interested shareholders" described in the previous provision shall have the following meanings:

- (1) If the Company made a repurchase offer to all shareholders with the same proportion or has repurchased its own shares through open transactions on a securities exchange in accordance with Article 4.04 hereof, the controlling shareholders as defined in Article 5.09 hereof shall be deemed to be "interested shareholders";
- (2) If the Company has repurchased its own shares by an agreement outside a securities exchange in accordance with Article 4.04 hereof, shareholders related to such agreement shall be deemed to be "interested shareholders";
- (3) Under a restructuring proposal of the Company, an "interested shareholder" means a shareholder within a class who bears less than a proportionate burden imposed on that class under the proposed restructuring or who has

an interest in the proposed restructuring different from the interest of shareholders of that class

- 7.05 Resolutions of any class shareholders' meeting shall be made by more than two-thirds of the votes of the shareholders whose shares carry rights to vote of that class present at that meeting in accordance with Article 7.04 of these Articles.
- 7.06 When the Company is to hold an annual class meeting, it shall give a written notice to its shareholders of the relevant class listed on the register 21 days prior to the meeting, When the Company is to hold an extraordinary class meeting, it shall give a written notice to its shareholders of the relevant class listed on the register 15 days prior to the meeting.
- 7.07 Notice of class shareholders' meeting needs only be served on class shareholders who are entitled to vote thereat.

The procedures of a meeting of any class shareholders shall be conducted as nearly as possible as those of the shareholders' general meetings. The provisions of these Articles relating to any shareholders' general meeting shall apply to any meeting of the class shareholders.

- 7.08 Other than shareholders of other class shares, domestic shareholders and overseas listed foreign shareholders shall be deemed to be different classes of shareholders.

The special procedures of approval by separate class shareholders shall not apply to the following circumstances:

- (1) where the Company issues, upon approval by a Special Resolution of the shareholders' general meeting, either separately or concurrently once every twelve months, not more than twenty per cent. (20%) of each of the existing issued domestic shares and overseas listed foreign shares of the Company; or
- (2) where the Company's plan to issue domestic shares and overseas listed foreign shares on establishment is implemented within fifteen (15) months from the date of approval by the CSRC.

## **Chapter 8 The Board**

- 8.01 The Board is established by the Company and shall be responsible to the shareholders' general meeting. Directors shall be natural persons.

The Board shall be composed of 9 directors, including 3 independent directors. (namely, directors who are independent from the shareholders of the Company and do not hold any office in the Company, hereinafter referred to as



**“independent directors”)**

The Board shall elect one Chairman, and one Vice Chairman.

The Board shall establish such specialized committees as the Nomination Committee, Strategy Committee, Audit Committee, Remuneration and Assessment Committee, etc. Such specialized committees shall be responsible for the Board and perform duties in accordance with the Articles and the authorization of the board of directors. The proposal shall be proposed and reviewed by the Board. Such specialized committees comprise only directors. The members of the Audit Committee will be directors who do not serve as senior management in the Company. The number of independent directors in each of the Audit Committee, Nomination Committee and Remuneration and Assessment Committee shall be in the majority and the convener of these committees shall be an independent director. The convener of the Audit Committee shall be an accounting professional. The Board is responsible for constituting the terms and references of such specialized committees, clarifying the composition of such specialized committees, the term of office of members, the scope of their duties, the rules of procedures, the preservation of archives, and other related matters, and the regulation of such specialized committees' operations.

The president and senior management can also be directors, but the total number of directors who are also president, senior management and employee representatives shall not exceed one half but not less than one third of the total number of directors of the Company.

- 8.02 Directors shall be elected and changed by the shareholders at general meetings and can be removed from office before the end of term of office. The directors shall serve a term of three years and may serve consecutive terms if reelected upon the expiration of their terms.

The Chairman and the Vice Chairman shall be elected and removed by a vote of more than one-half of all the directors.

Subject to compliance with all relevant laws and administrative regulations, the shareholders' general meetings may remove any Director whose term of office has not expired by Ordinary Resolution (however this will not prejudice any request for compensation which may be raised pursuant to any contract).

Directors are not required to hold shares in the Company.

- 8.03 The term of office of directors shall begin on the day they assume office until the end of the term of office of the Board. In the event that a timely reelection fails to be conducted upon expiry of the term of office of directors, the original Directors shall perform their duties as directors in accordance with relevant

provisions of laws, administrative regulations, departmental rules and these Articles before the newly elected directors take office.

8.04 Directors shall, in accordance with applicable laws, administrative regulations, and these Articles, perform the following responsibilities of loyalty to the Company that they:

- (1) shall not accept bribes or other illegal incomes by taking advantages of their functions, and shall not embezzle properties of the Company;
- (2) shall not misappropriate the corporate funds;
- (3) shall not deposit assets or funds of the Company in accounts established under their respective name or the name of any other person;
- (4) shall not violate the regulations of these Articles by providing financial loans to other persons with the corporate funds or providing guarantees to other persons with the assets of the Company without prior approval from the shareholders' general meeting or the Board;
- (5) shall not establish contracts or conduct transactions with the Company in violation of the regulations of these Articles or without prior approval from the shareholders' general meeting;
- (6) shall not, by taking advantage of their functions, obtain, whether for themselves or for others, such business opportunities that should have been procured by the Company, or engage in any type of business which is the same as or similar to that of the Company whether for themselves or for others without prior approval from the shareholders' general meeting;
- (7) shall not personally accept commissions from transactions with the Company;
- (8) shall not disclose secrets of the Company without authorization;
- (9) shall not damage the interests of the Company by taking advantage of their connections with the Company;
- (10) shall perform other responsibilities of loyalty stipulated by laws, administrative regulations, departmental regulations and these Articles.

Income gained by Directors in violation of this Article shall belong to the Company; if any losses are caused to the Company thereby, Directors shall bear the appropriate liabilities for damages.

8.05 Directors shall, in accordance with applicable laws, administrative regulations and these Articles, perform the following responsibilities of diligence to the Company that they:

- (1) shall exercise the authority given by the Company with prudence, earnest, and diligence, in order to guarantee the business operations of the Company are in compliance with the requirements of national laws, administrative regulations, and various national economic policies, and ensure the commercial activities shall not exceed the business scope stipulated by the business license;

- (2) shall treat all shareholders fairly;
- (3) shall stay abreast of the operations and management of businesses of the Company;
- (4) shall provide signatory confirmation for the periodic reports of the Company. Shall ensure information disclosed by the Company are truthful, accurate, and complete;
- (5) shall truthfully provide relevant information and data to the Supervisory Committee, and shall not obstruct the Supervisory Committee or Supervisors from performing their duties;
- (6) shall perform other responsibilities of diligence stipulated by laws, administrative regulations, departmental regulations, and these Articles.

8.06 In the event that the directors fail to attend the Board meeting in person or by proxy on two consecutive occasions, they shall be deemed to be unable to perform their duties. The Board shall propose to the shareholders' general meeting for a replacement of the Director.

The Board should make a statement in writing and disclose it in the following circumstances:

- (i) Fail to attend the Board meeting in person on two consecutive occasions;
- (ii) Fail to attend the Board meeting in person more than one half of the total number of Board meetings during the twelve consecutive months of their term of office.

In the event that independent directors fail to attend the Board meeting in person or by proxy on two consecutive occasions, the Board shall propose to convene a general meeting to remove their position within thirty days from the date of such fact.

8.07 Directors may request to resign prior to the expiration of their term of office. The resigning director shall submit a written resignation report to the Board. The Board shall disclose the relevant information within 2 days.

In the event the number of members of the Board of the Company is less than the minimum number required by law as a result of resignation of any Director, the original Directors shall perform their duties as directors in accordance with relevant provisions of laws, administrative regulations, departmental rules and these Articles before the newly elected Directors take office.

If the resignation of an independent director results in the number of independent directors being less than one-third of the members of the Board, or if the proportion of independent directors on specialized committees does not meet the requirements, or if there is no accounting professional among the independent directors, the resignation report of the independent director shall not take effect until the next independent director fills the vacancy

created by his/her resignation. Before the resignation report takes effect, the independent director who intends to resign shall still continue to perform his/her duties in accordance with the relevant laws, administrative regulations and the Articles of Association.

Other than the circumstance mentioned in the foregoing paragraph, the resignation of Directors shall be effective immediately upon the service of the resignation report on the Board. In the case of the circumstance mentioned in the foregoing paragraph, the Company shall complete the by-election within sixty days from the date of the occurrence of the preceding fact.

- 8.08 Any director shall not act as an individual on behalf of the Company or the Board unless as provided by these Articles or legally authorized by the Board. In circumstances where a Director is acting as an individual and a third party may reasonably believe that the Director is acting on behalf of the Company or the Board, the Director shall make a prior statement specifying his position and capacity.
- 8.09 Directors shall be liable for compensation if the Company incurred any losses due to violations of applicable provisions of laws, administrative regulations, department rules or these Articles on the part of the Directors in performing their duties.
- 8.10 Independent directors shall perform their duties in accordance with laws, administrative regulations, and relevant requirements of CSRC and stock exchange.
- 8.11 The Board shall be responsible to the shareholders' general meeting and shall exercise the following powers:
- (1) to be responsible for convening the shareholders' general meetings and reporting on its work to the shareholders' general meetings;
  - (2) to implement the resolutions of the shareholders' general meetings;
  - (3) to decide on the business plans and investment proposals of the Company;
  - (4) to formulate the proposed annual financial budget and final accounts of the Company;
  - (5) to formulate the Company's profit distribution plan and plan for recovery of losses;
  - (6) to formulate the Company's proposals for increases in or reductions of the Company's registered capital and the issue of bonds or other securities and plans for listing of the Company;
  - (7) to prepare plans for major acquisitions or repurchase of the shares of the Company, and for the merger, division, dissolution or changing of the form of the Company;
  - (8) to determine on establishment of the internal management organ of the Company;

- (9) to determine on matters relating to purchase or sale of major assets, asset mortgage, external guarantees, connected transactions and external donations within the scope of authority conferred by the shareholders' general meetings;
- (10) subject to the principle of prudent authorization, the shareholders' general meeting may authorize the Board of the Company to determine on matters relating to the Company's (including any Subsidiary controlled by it) investment and entrusted financing for each financial year where in each case the amount does not exceed 50% of the latest audited net assets of the Company, and may also authorize the Chairman or Subsidiaries controlled by the Company to determine on such matters within the scope of the authorization by establishing various sound systems, unless as otherwise provided by the securities exchange of the place where the shares of the Company are listed;
- (11) to formulate proposals for amendments to these Articles;
- (12) to decide on the engagement or dismissal of the Company's President, Secretary to the Board and other senior management and determine their remuneration and matters related to incentive and punishment; to decide on the engagement or dismissal of the Company's CFO, Vice Presidents, Chief Engineers, and other senior management personnel in accordance with the nominations provided by the President, and determine on matters of remuneration, bonuses, and punishments of such persons;
- (13) to formulate the basic management system of the Company;
- (14) to management matters of information disclosure of the Company;
- (15) to decide on the engagement of sponsors;
- (16) to formulate the share incentive schemes and employee shareholding schemes of the Company;
- (17) to listen to the work report of the President of the Company and to inspect the work of the President;
- (18) to propose to the shareholders' general meeting for the engagement or replacement of the accounting firm in charge of auditing for the Company, unless otherwise provided by these Articles;
- (19) to determine on the salary standard, benefits and bonuses plan of the Company;
- (20) to determine the format of specialized committees, and to engage and dismiss relevant personnel;
- (21) other authorities given by laws, administrative regulations, department rules and these Articles.

Resolutions for connected transactions of the Company made by the Board will not take effect unless signed by the independent non-executive directors.

Matters which are beyond authorization of the general meeting shall be submitted to the general meeting for consideration.

8.12 The Board of the Company shall account to the shareholders' general meeting

for the non-standard audit opinions issued by the registered accountant with regard to the financial reports of the Company.

- 8.13 The Board shall formulate the procedural regulations of the Board in order to guarantee the implementation of resolutions of the shareholders' general meetings by the Board, improve work efficiency and guarantee a logical decision-making process.

The procedural regulations of the Board attached hereto as an appendix shall be formulated by the Board and approved by the shareholders' general meeting.

- 8.14 Subject to the principle of prudent authorization, the shareholders' general meeting may authorize the Board of the Company to exercise the following rights with regard to matters of purchase and sale of assets, provision of guarantees and so forth:

- (1) to determine on matters of purchase and sale of major assets by the Company (including Subsidiaries controlled by it) for each year that in each case do not exceed 30% of the latest audited total assets of the Company;
- (2) matters of provision of guarantees by and mortgage of assets of the Company shall require the approval of over two-thirds of all the directors present at the Board meeting and the approval of over two-thirds of all the independent directors; besides, matters of provision of guarantees as stipulated in Article 6.03 of these Articles shall be submitted to the shareholders' general meeting for approval upon agreement of the Board in accordance with this provision.

- 8.15 The Chairman shall exercise the following functions and authorities:

- (1) to preside over the shareholders' general meeting and convene and preside over Board meeting;
- (2) to organize the implementation of the responsibilities of the Board, and to supervise the implementation of Board resolutions;
- (3) to sign the Company's shares, corporate bonds and other valuable securities;
- (4) to sign major documents of the Board and other documents which require signature by the legal representative of the Company;
- (5) to exercise the powers of the legal representative;
- (6) to be responsible for jobs relating to the Company's strategy research and management, corporate culture building as well as auditing;
- (7) to hold the final approval rights for major decisions of the Company (including Subsidiaries of the Company) regarding finance and human resources (the engagement and dismissal of mid-level management staff, the proposal for the engagement and dismissal of senior management personnel).

- (8) in case of major natural disaster or other circumstances of force majeure, to exercise special management of matters of the Company in accordance with laws, regulations, and the interests of the Company, and subsequently to report to the Board and the shareholders' general meeting;
- (9) other powers authorized by the Board.

8.16 The Vice Chairman shall assist with the work of the Chairman. The Vice Chairman shall perform the duties if the Chairman is unable or fails to perform his duties; if the Vice Chairman is unable or fails to perform his duties, a Director shall be elected to perform such duties by more than half of all the Directors.

8.17 Board meeting shall be convened at least 4 times a year by the Chairman and notice of such meeting in writing shall be given to all the Directors 10 days prior thereto. In case of urgent matters extraordinary Board meetings may be convened upon proposal by the Chairman or more than one-third of all the Directors without being restricted by the regulations of these Articles regarding notice of meeting.

Shareholders representing more than one-tenth of the voting rights, more than one-third of the Board or Supervisory Committee may propose to convene an extraordinary Board meeting. The Chairman shall convene and preside over a Board meeting within 10 days of receiving the proposal.

Board meetings shall be held at the domicile of the Company in principle or otherwise held in other locations within or without the PRC as resolved by the Board.

8.18 Notice of Board meeting shall be given in the following manner:

- (1) to convene regular and extraordinary meetings of the Board, the Secretary to the Board shall arrange for the office of the Secretary of the Board to submit a notice of meetings by means of sending by special hand delivery, facsimile or emails 10 days prior thereto and submit it to all Directors, Supervisors and the President, of which the regular meetings of the Board shall be notified 14 days prior thereto;
- (2) notices, including the agenda and the subject shall be given in the Chinese language. An English version may be attached if necessary. The agenda shall also be given. Any of the Directors may waive his right to receive notice of Board meeting;

8.19 Majors matters that require the approval of the Board shall be notified to all Directors in accordance with the timeframe stipulated in Articles 8.17 and 8.18, whilst sufficient information shall also be provided, and shall proceed strictly in accordance with the stipulated procedures. Directors may request supplementary information to be provided. In the event that more than a

quarter of all the Directors or 2 or more independent directors deem the information provided to be incomplete, insufficiently argued or not provided in a timely manner, they may jointly propose in writing to postpone the Board meeting or postpone the deliberation of the matter, and such proposal shall be adopted by the Board.

Resolutions of the Board meeting shall be put to vote by open ballot in writing. For extraordinary Board meetings convened through facsimile, voting may be performed through facsimile under the condition that directors can be guaranteed to be able to fully express their opinions. For extraordinary Board meetings convened through teleconference due to the Company encountering a crisis and other special or emergency circumstances, voting may be performed through teleconference under the condition that directors can be guaranteed to be able to fully express their opinions.

8.20 The notice of Board meeting shall include the following details:

- (1) date and location of the meeting;
- (2) duration of the meeting;
- (3) particulars of matters and resolutions to be considered at the meeting;
- (4) date of the notice.

8.21 The quorum for a Board meeting is over half of all the Directors (including directors who appoint other directors as proxies to attend the Board meeting according to relevant provisions of these Articles). Each director shall be entitled to one vote. Resolutions of the Board must be adopted by the affirmative vote of more than half of all Directors.

8.22 Directors that are connected with the legal persons and natural persons involved in matters discussed at the Board meeting shall neither vote on such resolution nor vote on behalf of other Directors. The Board meeting may proceed if more than half of the Directors that have no connected relations with the above legal persons and natural persons are present, and resolutions of the Board meeting may be adopted if approved by more than half of Directors that have no such connected relations. Where the number of the Directors who have no such connected relations attending the applicable Board meeting is less than 3, then matters to be discussed at such meeting shall be submitted to the shareholders' general meeting for consideration.

8.23 Board meetings shall be attended by the Directors in person. If any Director cannot attend a meeting for any reason, he may authorize another Director by way of a written instrument of proxy to attend on his behalf. The power of attorney shall specify the scope of authority.

Any Director acting as a proxy in attending a Board meeting shall exercise the right of the authorizing Director within the scope of authority as set out in the



power of attorney. In the event that no proxy is appointed by the absent Director to attend a Board meeting, the absent Director shall be deemed to have waived his right to vote at such a meeting.

Costs incurred by Directors for attending Board meetings shall be paid by the Company. Such expenses shall include transportation costs from the place where the Director is located to the place of the meeting and the cost of accommodation and meals during the period the meeting is held. Incidental expenses, such as the rent of the place of the meeting and local transportation, shall also be borne by the Company.

- 8.24 The Board shall keep minutes of decisions on matters discussed at the meetings. Directors attending a meeting and the person recording the minutes shall sign the minutes of that meeting. The minutes of board meeting shall be kept as archives of the Company with a period of not less than ten years.

The minutes of the Board meeting shall include the following details:

- (1) date and location of the meeting and the name of the convener;
- (2) names of Directors in attendance and names of Directors authorized to attend the Board meeting on behalf of others;
- (3) agenda of meeting;
- (4) key points of speeches of Directors;
- (5) the mechanism and results of voting each resolution (the results shall state the number of votes vast for and against the resolution and the number of abstention votes).

The Directors shall bear liability for the decisions of the Board meetings. Where a resolution of the Board meeting is in violation of laws, administrative regulations, or these Articles, thereby causing serious losses to the Company, the Directors who took part in the resolution shall be liable to the Company for damages; however, where a Director can prove that he expressed his opposition to such resolution when it was put to the vote, and that such opposition was recorded in minutes of the meeting, the Director may be relieved from such liability.

## **Chapter 9 The CEO, President, and other Senior Management Personnel**

- 9.01 The Company shall elect one CEO and one President who shall be nominated by the Chairman and appointed or removed by the Board.

The CEO and President shall have a term of office for 3 years, and may serve consecutive terms if re-elected.

- 9.02 Situations regarding circumstances that prohibit certain persons from

becoming Directors in the *Company Law of the PRC* shall also be applicable to senior management personnel.

Senior management personnel shall perform their duties in accordance with laws, administrative regulations, and these Articles, and perform such obligations with integrity and diligence. The responsibilities of loyalty and diligence of Directors in these Articles shall also be applicable to senior management personnel.

- 9.03 Persons that hold any job other than a Director in organizations of the controlling shareholders and actual controllers of the Company may not serve as a senior management personnel of the Company.

The senior management officers of the Company shall only be entitled to salaries paid by the Company, and the controlling shareholders shall not pay the salaries on behalf of the Company.

- 9.04 The CEO and President may request to resign prior to the expiry of their respective term of office. The specific procedures and means for the resignation of the CEO and President shall be regulated by their respective employment contract with the Company.

The CEO and President may attend the Board meetings as non-voting member; the CEO and president that are not Directors shall not have the right to vote at the Board meetings.

- 9.05 The CEO shall be responsible to the Board and perform the following duties:
- (1) to supervise and inspect the Company's production, operation and management under the stewardship of the President;
  - (2) to supervise and inspect the implementation of resolutions of the Board and annual plans of the Company by the President;
  - (3) to be responsible for drafting and implementing the annual investment plan of the Company;
  - (4) to be responsible for equity management of Subsidiaries of the Company;
  - (5) together with the Chairman:
    1. to propose the engagement or removal of the CFO, Vice Presidents, and Chief Engineers of the Company to the Board;
    2. to engage or dismiss mid-level management personnel relevant to the powers of the CEO;
    3. to determine the plans for the salary, benefits, and bonuses of employees of the Company.
  - (6) to report the progress of work to the Board.

- 9.06 The President shall be responsible to the Board and perform the following duties:

- (1) to be in charge of the Company's production, operation and management of the Company and organize the implementation of the resolutions of the Board;
  - (2) to be responsible for drafting and implementing the annual business plan of the Company;
  - (3) to draft the basic management policy of the Company;
  - (4) to formulate the specific rules and regulations of the Company;
  - (5) to engage or dismiss employees of the Company;
  - (6) to implement salary, benefits and bonuses plans formulated for the employees of the Company;
  - (7) together with the Chairman:
    1. to engage or dismiss mid-level management staff relevant to the powers of the President;
    2. to draft the internal management system plan of the Company.
- 9.07 The President shall formulate the work procedures of the President and implement the same after approval by the Board.
- 9.08 The work procedures of the President shall include the following contents:
- (1) the requirements, procedures and attendees of a President meeting;
  - (2) the usage of the Company's funds and assets, the limits of his authority to enter into material contracts, and the mechanism of reporting to the Board and Supervisory Committee;
  - (3) other matters as the Board shall deem necessary.
- 9.09 The senior management shall compensate the damages suffered by the Company due to the violation of the provisions of laws, administrative regulations, departmental regulations or the Articles when discharging their duties.
- 9.10 The senior management of the Company shall perform their duties faithfully, and protect the best interests of the Company and all Shareholders. If the senior management of the Company fails to perform their duties faithfully or violates their fiduciary duties, causing damage to the interests of the Company and public shareholders, they shall be liable for compensation according to law.

## **Chapter 10 Secretary of the Company**

- 10.01 The Company shall have one Secretary of the Board. The Secretary is one of the senior management personnel of the Company.
- 10.02 The Secretary of the Company shall be a natural person that possesses the necessary professional knowledge and experience and shall be appointed by the Board.

The main duties of the Secretary are:

- (1) to assist Directors in performing the day-to-day functions of the Board; continuously provide, remind and ensure that Directors understand the requirements of local and overseas regulatory bodies on the Company's operations, policies and requirements; assist Directors and the President to exercise their powers in accordance with the local and overseas laws and regulations, the Company's Articles and other relevant rules;
- (2) to be responsible for organizing and preparing documents for Board meetings and Shareholders' general meeting; preparing minutes, ensuring that resolutions are passed in accordance with procedures required by law and be informed about the implementation of the Board resolutions;
- (3) to be responsible for organizing and coordinating the Company's disclosure, maintaining investor relations and enhancing the Company's transparency;
- (4) to participate and coordinate fund raising in the capital markets;
- (5) to maintain relationships with market intermediaries, regulatory bodies, media and maintaining public relations.

The scope of duties of the Secretary includes the following:

- (1) to coordinate and organize Board meetings and Shareholders' general meetings, prepare the relevant materials for the meeting, arrange matters relating to the meeting, responsible for keeping minutes of the meetings, ensuring the accuracy of the minutes, keeping documents and minutes of the meeting, actively informing himself of the implementation of resolutions; reporting and providing recommendations to the Board on material matters that are being implemented;
- (2) to ensure that material decisions of the Board are performed strictly in accordance with the relevant requirements. Upon the request of the Board, participate in the consultation and analysis of the matters before the Board and offer his opinion and make recommendations accordingly; be authorized to perform the day-to-day functions of the Board and other committees;
- (3) to act as the Company's contact person with securities regulatory bodies, be responsible for organizing, preparing and submitting documents required by such regulatory bodies, be responsible for accepting, organizing and completing tasks delegated by such regulatory bodies; ensuring that the Company prepares and submits to the authorized bodies reports and documents required by such bodies in accordance with the law;
- (4) to be responsible for coordinating and arranging for the disclosure of the Company, putting in place an appropriate disclosure mechanism, participating in all meetings relating to information disclosure, be made aware of the Company's material operating decisions and all related information;

- (5) to be responsible for keeping in confidence any price sensitive information of the Company, and put in place effective rules and systems for maintaining confidentiality of information. Where price sensitive information of the Company has been revealed to the public, take all necessary actions to rectify, explain and clarify and notify the overseas securities regulatory body of the place in which the Company is listed and the China Securities Regulatory Commission;
- (6) to be responsible for coordinating market publicity, reception of visitors, managing investor relations, maintaining relationships with investors, market intermediaries and the mass media; be responsible for ensuring that enquiries of the public are addressed, ensuring that investors receive information disclosed by the Company on a timely basis; to organize and prepare publicity campaigns of the Company locally and overseas, prepare reports summarizing market publicity and material visits and arrange to report any related matters to the China Securities Regulatory Commission;
- (7) to be responsible for managing and keeping the Company's register of members, register of Directors, information relating to shareholdings of substantial shareholders and Directors, and a list of holders of debentures issued by the Company;
- (8) to assist Directors and the President in exercising their powers in accordance with domestic and overseas laws and regulations, these Articles and other requirements, and provide them with relevant information (including, but not limited to, providing newly appointed Directors with all latest information published by the Company regarding corporate governance). When the Secretary is aware that the Company has made or may possibly pass resolutions that are in breach of the relevant requirements, he has an obligation to duly remind the Company of such breach or possible breach and has the right to report the same to applicable domestic and overseas securities regulatory bodies;
- (9) to coordinate the provision of all such information and materials as may be necessary for the Supervisory Committee of the Company and other inspection agencies to perform their respective monitoring functions and assist with the investigation of the integrity of the Company's financial director, Directors and President;
- (10) to perform other duties authorized by the Board and required by the securities exchange of the overseas place where the Company's shares are listed or listing outside of the PRC.

10.03 The Secretary shall diligently perform his duties in accordance with the relevant regulations of these Articles.

The Secretary shall assist the Company in complying with relevant laws of the PRC and the regulations of the securities exchanges on which the shares of the Company are listed.

10.04 Directors, the President, and relevant internal departments of the Company

shall assist the Secretary to perform the necessary duties in accordance with laws, and ensure there are necessary resources available in terms of corporate structure, employee allocation, financial budget, and other areas. The relevant departments of the Company shall actively cooperate with the work of the Secretary.

## **Chapter 11 The Supervisory Committee**

11.01 The Supervisory Committee shall be established by the Company. The Supervisory Committee is the permanent supervisory structure of the Company, and is responsible for the supervision of the Board and its members, the President, Vice Presidents, CFO, and other senior management personnel, in order to prevent such persons from exploiting their authority and violate the legal rights and interests of shareholders, the Company, and employees of the Company.

11.02 The Supervisory Committee shall be composed of 5 supervisors, one of whom shall be elected as the chairman. The term of office of Supervisors shall be 3 years, and may be reelected to serve consecutive terms. In the event that a timely reelection fails to be conducted upon expiry of the term of office of Supervisors or the number of members of the Supervisory Committee is less than the number required by law as a result of a resignation by any Supervisor prior to the expiry of his term of office, the original Supervisors shall perform their duties as Supervisors in accordance with relevant provisions of laws, administrative regulations, and these Articles.

The appointment or removal of the chairman of the Supervisory Committee shall be decided by a unanimous vote of more than half of the Supervisory Committee members.

The chairman of the Supervisory Committee shall organize the implementation of the duties of the Supervisory Committee.

11.03 The Supervisory Committee members shall be composed of 3 representatives of shareholders and 2 representatives of employees of the Company. The representatives of shareholders shall be elected and removed by the shareholders' general meetings; and the representatives of employees shall be democratically elected and removed by the employees of the Company.

The Supervisory Committee shall establish an administrative body according to its needs to manage the Supervisory Committee's day-to-day operations.

11.04 Directors, the President, Vice Presidents, CFO, and other senior management personnel of the Company and its spouses and immediate family may not serve concurrently as Supervisors during the tenure of Directors and senior management.

- 11.05 Supervisors shall comply with laws, administrative regulations, and these Articles, possess responsibilities of loyalty and diligence to the Company, shall not exploit the authority of their position to accept bribes or other illegal incomes, and shall not embezzle the assets of the Company.
- 11.06 Supervisors shall ensure that the Company discloses information in a timely and fair manner and the information disclosed by the Company is truthful, accurate, and complete and that they sign written confirmations of the periodic reports.
- 11.07 Supervisors shall not exploit their connected relations to damage the interests of the Company, and if they have caused the Company to suffer damages, they shall be liable for compensation.
- 11.08 Where the Supervisors violate laws, administrative regulations, departmental regulations, or these Articles in performing their duties and the Company suffered losses as a result thereof, the Supervisors shall be liable for compensation.
- 11.09 The Supervisory Committee meetings shall be held at least once every 6 months, and shall be convened by the chairman of the Supervisory Committee.

The chairman of the Supervisory Committee shall convene and preside over the Supervisory Committee meetings; if the chairman of the Supervisory Committee is unable or fails to perform the duties, a Supervisor shall be elected to perform such duties by more than half of all the Supervisors.

Supervisors may propose to convene extraordinary Supervisory Committee meetings.

- 11.10 The Supervisory Committee shall be accountable to the shareholders' general meetings and perform the following duties according to law:
- (1) to review the periodic reports of the Company formulated by the Board and provide written review opinions;
  - (2) to examine the financial affairs of the Company;
  - (3) to supervise Directors and senior management personnel in relation to their performance of Company duties and to propose removal of Directors and senior management personnel that has violated laws, administrative regulations, these Articles, or resolutions of the shareholders' general meetings;
  - (4) to request Directors and senior management personnel to rectify their behavior when their conduct is harmful to the interests of the Company;
  - (5) to propose to convene an extraordinary shareholders' meeting, and shall convene and preside over shareholders' general meetings in the event that

the Board does not perform the duties of convening and presiding over shareholders' general meetings as stipulated by the *Company Law of the PRC*;

- (6) to make proposals to the shareholders' general meetings;
- (7) to institute legal proceedings against Directors and senior management personnel in accordance with Article 151 of the *Company Law of the PRC*;
- (8) to conduct investigation into any identified irregularities in the Company's operations, and where necessary, to engage accountants, legal advisers or other professionals to assist in the investigation; and
- (9) to perform other duties stipulated by these Articles.

Supervisors shall attend Board meetings, and shall raise questions or provide recommendations regarding resolutions of Board meetings.

- 11.11 The Supervisory Committee meetings shall be attended by Supervisors in person. In the event that any Supervisor is unable to attend the meetings in person for various reasons, they may authorize other Supervisors to attend the Supervisory Committee meetings on their behalf in writing, and the scope of authorization shall be stated in the applicable power of attorney.

Any Supervisor acting as a proxy in attending a Supervisory Committee meeting shall exercise the rights of Supervisors within the scope of authorization. Any Supervisor who fail to attend a particular Supervisory Committee meeting in person or by proxy shall be deemed to have waived his right to vote at such meeting.

- 11.12 The Supervisory Committee shall formulate the Supervisory Committee meeting procedural regulations, clarifying the method of deliberation and voting procedures of the Supervisory Committee meetings to ensure the efficiency and scientific decision-making of the Supervisory Committee.

The Supervisory Committee meeting procedural regulations shall be included in the appendix of these Articles, and shall be formulated by the Supervisory Committee and approved by the shareholders' general meetings.

- 11.13 Minutes shall be kept for all Supervisory Committee meetings. All Supervisors attending the meeting and the person recording the minutes shall sign on the minutes of the Supervisory Committee meeting.

Supervisors shall bear liability for the decisions of the Supervisory Committee. Where a resolution of the Supervisory Committee is in violation of laws, administrative regulations, or these Articles, thereby causing serious losses to the Company, the Supervisors who took part in the resolution shall be liable to the Company for damages; however, where a Supervisor can prove that he expressed his opposition to such resolution when it was put to vote, and that such opposition was recorded in minutes of the meeting, the Supervisor may



be relieved from such liability.

The Supervisory Committee meeting minutes shall be kept as corporate archives for a minimum of 10 years.

- 11.14 A notice of Supervisory Committee meeting shall be sent to all the Supervisors by direct delivery, facsimile, and emails or other means not less than 10 days prior to the meeting.

In case of convening extraordinary meetings because of emergency or special events, the notice period for extraordinary meetings shall not be subject to the notification limit of the preceding paragraph.

The notice of Supervisory Committee meetings shall include the following details:

- (1) date, location, and timeframe of the meeting;
- (2) particulars of matters and resolutions to be considered at the meeting;
- (3) date of the notice.

The quorum for a Supervisory Committee meeting is over half of all the Supervisors. Each Supervisor shall be entitled to one vote.

Resolutions of the Supervisory Committee shall be adopted only after approval by over half of the Supervisory Committee members.

- 11.15 A Supervisor shall act honestly in discharging his supervisory responsibilities in accordance with law, administrative regulations and these Articles.

## **Chapter 12 Qualification and Obligations of Directors, Supervisors and Senior Management Personnel of the Company**

- 12.01 A person shall be disqualified from being a Director, a Supervisor, a general manager or a senior officer of the Company if any of the following applies:

- (1) the individual has no civil capacity or his civil capacity is restricted;
- (2) a period of less than five (5) years has elapsed since the person was released after serving the full term of a sentence of corruption, bribery, expropriation of assets, misappropriation of assets or social and economic disorder or since the deprivation of political rights on the person due to a criminal conviction was lifted;
- (3) a period of less than three (3) years has elapsed since a company or an enterprise in which the person was director, a factory director or a manager was wound up and the person was held personally liable to the winding up of the company or the enterprise;

- (4) a period of less than three (3) years has elapsed since the revocation of the license of a company or an enterprise for illegal business operations under circumstances where the person was the legal representative of such company or enterprise and was held personally liable to the illegal business operations of the company or the enterprise;
- (5) the person has a debt of a material amount which has not been repaid or cleared when due;
- (6) persons who have been identified as being prohibited from participating in the markets by the CSRC and where such prohibitions are still in force;
- (7) the person has been publicly ascertained by the stock exchange as being not suitable for serving director, supervisor and senior management of the listed company, the effective period of which has not yet expired.

Where any Director, Supervisor, President or senior management officer is elected, appointed or engaged counter to the provisions in this Article, the said election, appointment or engagement shall be invalid. Where any Director, Supervisor, President or senior management officer gets involved in any of the circumstances herein during his/her term of office, the Company shall remove him/her as Director, Supervisor, President or senior management officer.

- 12.02 The obligation and credibility of the Company's Directors, Supervisors, manager and other senior management personnel does not necessarily cease with the termination of their office. Their confidentiality obligation in relation to the Company's trade secrets shall remain upon termination of their office. The term for which other obligations shall continue shall be decided upon in accordance with the principle of fairness, depending on the time lapse between the termination and the occurrence of the matter as well as the circumstances and conditions under which the relationship with the Company terminates.
- 12.03 If any resolutions of the Board conflicts with the interests of any Directors or Connected Persons, such Directors shall abstain from voting; upon confirmation that the number of Directors in attendance of the meetings is above the legal requirement, such Directors shall not be included in the total.
- 12.04 The Company shall include a written contract with each Director and Supervisor of the Company concerning his emoluments. Such contract shall be approved by the shareholders' general meetings before it is entered into.

## **Chapter 13 Financial and Accounting Policy, Profit Distribution, and Internal Audit**

- 13.01 The Company shall formulate its own financial and accounting systems in accordance with laws, administrative regulations and provisions issued by the relevant state departments.

- 13.02 The fiscal year of the Company shall follow the calendar year, that is, the period from January 1 to December 31 each year shall be counted as one fiscal year.

The Company shall use Renminbi as the currency for its accounts, and the accounts shall be prepared in Chinese.

- 13.03 The Company shall submit an annual financial report to the CSRC and the domestic and foreign securities exchanges within four months after the end of the fiscal year, an interim financial report to the branches of the CSRC and the domestic and foreign securities exchanges within two months after the end of the first six months of the fiscal year, and a quarterly financial report to the branches of the CSRC and the domestic and foreign securities exchanges within one month after the end of the first 3 months and 9 months of the fiscal year.

The above reports shall be prepared in accordance with requirements under the relevant laws, administrative regulations and regulations of the domestic and foreign securities exchanges.

- 13.04 The Company shall have no accounting ledgers other than the statutory accounting ledgers.

The Company's assets shall not be held under any personal account.

- 13.05 When the Company is distributing profits after tax of the current year, 10% of which shall be taken and kept in the statutory common reserve of the Company. If the accumulated statutory common reserve of the Company reaches 50% or more of the registered capital of the Company, such deductions are no longer required.

If the statutory common reserve of the Company is insufficient to cover the company's losses in the previous year, prior to withdraw for the statutory common reserve in accordance with the previous provision, profits of this year shall be used to cover the losses first.

After withdrawing the statutory common reserve from the profit after tax of the Company, any amounts of the common reserve may be withdrawn after approval by the shareholders' general meeting.

Remaining after-tax profits of the Company shall be distributed to shareholders in accordance with their shareholdings, after losses have been covered for and amounts for the statutory common reserve have been withdrawn.

- 13.06 Prior to covering losses of the Company and withdrawing the statutory

common reserve, the Company shall not distribute profits or distribute dividends in any other way. Where the general meeting, in violation of the provisions of the preceding paragraph, distributes the profits to the shareholders before the Company makes up the losses and withholds the common statutory reserve, the shareholders must return the profits distributed in violation of the provisions of the preceding paragraph to the Company. The Company's shares held by the Company shall not participate in the distribution of profits.

- 13.07 Capital common reserves shall not be used to cover losses of the Company.
- 13.08 Statutory common reserve of the Company shall only be used to make up losses of the Company, expand the manufacture or operations of the Company or be transferred to increase the capital of the Company.

If statutory common reserve is transferred to the capital by the Company after approved by the shareholders' general meeting, new shares shall be distributed to shareholders in accordance with their shareholdings or proportionally increase the value of each share. However, if statutory common reserve is transferred to the capital, the remaining statutory common reserve shall not be less than 25% of the registered capital of the Company before the capital increase.

- 13.09 The Company shall distribute dividends in cash, shares or a combination of cash and shares. The Company shall take cash distribution as a preferable way of profit distribution.
- 13.10 Cash dividends and other payments made to the domestic shareholders shall be paid in Renminbi. Cash dividends and other payments made to the overseas listed foreign shareholders shall be declared and calculated in Renminbi but paid in HKD. Foreign currencies required for payment of cash dividends or other payment items to overseas listed foreign shareholders shall be dealt with in accordance with relevant national foreign exchange management regulations.

Dividends of any shares paid prior to the called shares shall enjoy interests, but the holders of the shares do not have the rights to enjoy the dividends announced after the advanced share funds.

The right to confiscate unclaimed dividends shall only be exercised after 6 years or more of the date of such dividends announcement.

- 13.11 Except when relevant laws and administrative regulations otherwise stipulated, payment of cash dividends and other payment items in HKD, the exchange rate shall be the average exchange rate of the People's Bank of China during one week prior to the date of such announcement.

13.12 When distributing dividends to shareholders, the Company shall deduct and pay tax on shareholders' behalf in accordance with tax laws of the PRC and the distribution amounts.

13.13 When the Company convenes the annual general meeting to consider the annual profit distribution plan, it may consider and approve the conditions, maximum percentage, amount limit of interim cash dividends for the next year. The interim dividends limit for the next year considered at the annual general meeting shall not exceed the net profits attributable to shareholders of the Company during the corresponding period. The Board shall, in accordance with the resolution of the general meeting, develop a specific plan for distribution of interim dividends in line with the conditions of profit distribution.

After the profit distribution plan has been approved by the shareholders' general meetings of the Company or the Board develops a specific plan based on the conditions and maximum limit for the distribution of interim dividends for the next year considered and approved at the annual general meeting, the Board shall complete the distribution of share dividends (or shares) within 2 months of the shareholders' general meetings.

13.14 Conditional upon the Company being profitable and the retained distributable profit being positive as well as the cash flow being able to satisfy the continuing operation and sustainable development of the Company, the Company shall distribute cash dividends. The policy objective of cash dividends of the Company is residual dividends. The Company shall make cash distribution in each year in an amount of no less than 10% of the distributable profit realized for the year. The profits which the Company has accumulatively distributed in cash over the recent three years shall not be less than 30% of the average annual distributable profits realized in such three years.

When proposing distribution of dividends, the Board shall take into account, among other things, features of the industries where the Company operates, its development stage, business model, profit level, debt repayment ability and whether it has any significant capital expenditure plans and investor returns and formulate profits distribution proposals in accordance with the provisions set out below and procedures provided in the Articles of Association:

- (1) If the Company is at the mature stage of development and has no significant capital expenditure plan, the proportion of cash dividends shall be at least 80% in the profit distribution;
- (2) If the Company is at the mature stage of development and has a significant capital expenditure plan, the proportion of cash dividends shall be at least 40% in the profit distribution;

(3) If the Company is at the growing stage and has a significant capital expenditure plan, the proportion of cash dividends shall be at least 30% in the profit distribution.

If it is difficult to determine the Company's stage of development while it has a significant capital expenditure plan, the profit distribution may be dealt with pursuant to the item (3) of the preceding Article..

If the operation of the Company is healthy, and the Board of the Company believes the scale of share capital does not match the operation scale of the Company and dividend payment in shares will be in the interests of all shareholders of the Company, providing that sufficient distribution in cash and the reasonable scale of share capital of the Company are ensured, the Company may propose to distribute dividends in shares.

The Company shall distribute the profit in accordance with the Company's consolidated financial statements or the financial statements of the Company itself, whichever is lower.

The Company shall pay dividends once a year in principle. However, the Board may propose payment of interim dividends in line with the profitability of the Company.

When the Company's audit report in the most recent year shows a modified opinion or contains paragraphs with unqualified opinions with significant uncertainty of going concern or the asset-liability ratio is higher than 75% or operating cash flow is lower than the net profits attributable to the shareholders of the listed company, the Company may not make a profit distribution.

The Board formulates the profit distribution plan, which will be submitted to the general meeting for review and approval following consideration and approvals at the Board of Directors and the Supervisory Committee. The Board shall seriously review and discuss the matters such as the timing, conditions, minimum proportion of the distribution in cash, conditions for adjustments and the decision-making procedures required by the Company when formulating the cash distribution plan. The profit distribution plan must be approved by voting by more than half of the members of the Board of Directors before submitting to the general meeting for review and approval.

When the independent directors of the Company consider that the specific plan of cash dividends might be detrimental to the interests of the Company or the minority shareholders, they shall have the right to express independent opinions. If the Board of Directors does not adopt or does not fully adopt the opinions of the independent directors, the opinions of the independent directors and the specific reasons for the non-acceptance shall be recorded in

the board resolution.

The Supervisory Committee shall monitor the execution of cash dividends policy and the Shareholders' Return Plan carried out by the Board of Directors, as well as the execution of appropriate decision-making procedures and the information disclosure. The Supervisory Committee shall express explicit opinions and urge the Board to make correction in a timely manner in case of the following circumstances: failure of the Board to strictly implement the cash dividends policy and the Shareholders' Return Plan, failure of the Board to strictly execute appropriate decision-making procedures for cash dividends; or failure of the Board to make a true, accurate and complete disclosure of the cash dividends policy and its implementation.

The shareholders of the Company at the general meeting will make decisions on the plans. Opinions of shareholders (especially minority shareholders) and the independent non-executive directors shall be heard and considered during the process of formulating and deciding the profit distribution plans. The Company shall take the initiative to communicate with shareholders, in particular minority shareholders through various channels, including investor interactive platform, investors hotline, email and etc. The Company shall provide feedback on questions from minority shareholders in a timely manner.

Where the Company needs to make adjustments to its profit distribution policies in line with its production and operation, investment plans and development strategies, the Board shall, with an aim of protecting the interests of shareholders, provide specific discussions and detailed reasons therefor and formulate a written discussion report, and the opinions of independent directors shall also be heard fully. In addition, the opinions and requests of the minority shareholders shall also be fully heard through various channels. The adjusted profit distribution policies shall not violate the relevant regulations of the CSRC and the stock exchanges. The adjustments of the profit distribution policies must be reviewed and approved by the Board, as well as by the shareholders by an affirmative vote of two-thirds or more of all shareholders attending the general meeting. The Company will provide the shareholders with on-line vote platform.

- 13.15 The Company shall implement internal audit policies, employee specialized audit personnel to internally audit and inspect financial gains and expenditure and economic activities of the Company.
- 13.16 The internal audit policies and duties of audit personnel of the Company shall be implemented after approval by the Board. The person in charge of audit shall be responsible to and report to the Board.

## **Chapter 14 Appointment of Accountancy Firm**

- 14.01 The Company shall appoint an accounting firm in compliance with the provisions of the Securities Law to audit its accounting statements, verify its net assets and provide other relevant advisory services; and the term of appointment shall be one year and renewable.
- 14.02 The Company guarantees that the accounting documents, account books, financial and accounting reports and other information related to accounting which are provided to the accountants by the Company are true and complete. The Company must neither reject to provide information, nor hide it, nor lie about it.
- 14.03 The appointment of the accounting firm of the Company shall be decided at general meeting, the Board shall not appoint the Company's accounting firm prior to obtaining approval at general meeting.
- 14.04 The audit fees of the accounting firm shall be determined by the general meeting of shareholders.
- 14.05 When the Company dismisses or does not renew the engagement of an accounting firm, it shall give notice to the accounting firm 15 days in advance. The accounting firm shall have the right to present its views before the shareholders' general meetings. Where an accounting firm tenders its resignation, it shall inform the shareholders' general meetings of whether there is any irregularity in the Company.

## **Chapter 15 Merger and Division of the Company**

- 15.01 Merger of the Company may take the form of merger by absorption and merger by new establishment.

For merger of companies, the parties to the merger shall enter into a merger agreement and prepare balance sheets and a property list. The Company shall notify its creditors within a period of 10 days from the date on which the merger resolution is passed and publish an announcement on the merger in the *Securities Times* within 30 days of that date.

Creditors have the right to request the Company to pay debts or provide relevant guarantees within 30 days of receiving the notification letter, or within 45 days of the announcement of the notification letter if they did not receive such letter.

Upon completion of the merger, the company that exists or the newly



established company shall succeed to the claims and debts of the parties to the merger.

15.02 If the Company is to be divided, its property shall be divided accordingly.

For division of the Company, the parties to the division shall enter into a division agreement and prepare balance sheets and an asset list. The Company shall notify its creditors within a period of 10 days from the date on which the division resolution is passed and publish an announcement on the merger in the *Securities Times* within 30 days of that date.

Debts owed by the Company prior to the division shall be assumed by the companies in existence after the division in accordance with the agreement reached.

15.03 Where the merger or division of the Company involves a change in registered particulars, such change shall be registered with the company registry according to law; where the Company is dissolved, it shall cancel its registration according to law; where a new company is established, its establishment shall be registered according to law.

## **Chapter 16 Dissolution and Liquidation of the Company**

16.01 The Company shall be dissolved and liquidated according to law in the following circumstances:

- (1) Approval of the resolution to dissolve by the shareholders' general meetings;
- (2) If dissolution is necessary as a result of the merger or division of the Company;
- (3) Major difficulties occur in terms of operations and management of the Company, the continued existence will cause significant damage to interests of shareholders, and that cannot be resolved through other methods, shareholders that possess more than 10% of all voting rights may request for the dissolution of the Company by the civil court;
- (4) If the Company's business license is lawfully rescinded, order to shut down, or to be dissolved.

16.02 Where the Company is to be dissolved pursuant to Item (1), (3) or (4) of the preceding Article, it shall establish a liquidation committee within 15 days. The members of such liquidation committee shall be determined by the shareholders' general meetings by way of an ordinary resolution; if the liquidation committee was not established to proceed with liquidation, creditors may request the civil court to appoint relevant personnel to establish a liquidation committee to carry out liquidation.

- 16.03 The liquidation committee shall notify creditors within a period of 10 days from the date of its establishment and publish an announcement on any national economic or securities newspaper regarding the liquidation within 60 days. Creditors shall apply for their credit rights to the liquidation committee within 30 days of receiving the notice or within 45 days of the announcement if they did not receive the notice. Claims shall be registered by the liquidation committee.
- 16.04 The liquidation committee shall exercise the following functions and powers during liquidation:
- (1) Thoroughly examine the property of the Company and prepare a balance sheet and property list respectively;
  - (2) Notify creditors by a notice or public announcement;
  - (3) Dispose of and liquidate relevant unfinished business of the Company;
  - (4) Pay all outstanding taxes in full and taxes incurred during the process;
  - (5) Clear up claims and debts;
  - (6) Dispose of the property left after full payment of the Company's debts;
  - (7) Participate in civil litigation on behalf of the Company.
- 16.05 After the liquidation committee has thoroughly examined the Company's property and prepared a balance sheet and property list, it shall formulate a liquidation plan and submit such plan to the shareholders' general meetings or relevant authorities in charge for confirmation.

Payment of debts out of Company property shall be made in the following order of priority:

- (1) Liquidation expenses;
- (2) Salaries, social insurance, the legal compensations owed to employees of the Company;
- (3) Tax debts and extra taxes and common reserves that should be paid;
- (4) Bank loans, corporate bonds, and other debts.

Company property left after full payment in accordance with the provisions of the preceding paragraph shall be distributed to the Company's shareholders according to the category and proportion of their shareholding.

During liquidation, the Company may not engage in new business activities that are not related to the liquidation.

- 16.06 If the Company is liquidated due to dissolution and the liquidation committee, having thoroughly examined the Company's property and prepared a balance sheet and property list, discovers that the Company's property is insufficient to pay its debts in full, it shall immediately apply to the people's court for a declaration of bankruptcy.

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

16.07 Following the completion of liquidation, the liquidation committee shall formulate a liquidation report, submit the same to the shareholders' general meetings or the people's court in charge for confirmation. The liquidation committee shall deliver the same to the company registry, apply for cancellation of the Company's registration and publicly announce the Company's termination.

16.08 Members of the liquidation committee shall perform their duties with loyalty and in accordance with laws.

Members of the liquidation committee shall not use their position and power to accept bribes or other illegal incomes, and shall not embezzle assets of the Company. If members of the liquidation committee cause losses for the Company or creditors intentionally or due to major errors, they shall be liable for compensation.

16.09 If the Company is legally declared bankrupt, liquidation shall proceed in accordance with relevant corporate bankruptcy laws.

## **Chapter 17 Procedure for Amending these Articles**

17.01 The Company may amend these Articles in accordance with laws, administrative regulations and these Articles.

17.02 Amendments of these Articles shall comply with the following procedure:

- (1) After approval by the Board in accordance with these Articles, the amendment plan of these Articles shall be formulated;
- (2) Notify shareholders of the amendment plan and convene an shareholders' general meetings to deliberate;
- (3) Amendments proposed to the shareholders' general meetings shall be approved as special resolutions.

17.03 The Company shall amend these Articles in the following circumstances:

- (1) Regulations of these Articles conflicts with the regulations of the *Company Law of the PRC* or relevant laws and administrative regulations after they have been amended;
- (2) Changes in circumstances of the Company that causes inconsistencies in these Articles;
- (3) The shareholders' general meetings decide to amend these Articles.

- 17.04 Amendments of these Articles that involve matters of company registration shall amend the necessary registration changes in accordance with laws.

Amendments of these Articles are information required to be disclosed by laws and regulations, and shall be announced in accordance with regulations.

## **Chapter 18 Notice**

- 18.01 Unless otherwise stipulated by these Articles, for the purpose of providing and/or distributing corporate communications to shareholders as required by the HKEx Listing Rules, corporate communications may be sent or made available to the overseas listed foreign shareholders by the Company electronically, by posting the information on the website of the Company, or by post, in accordance with the relevant laws and regulations and the HKEx Listing Rules as amended from time to time. Overseas listed foreign shareholders of the Company may also elect in writing to receive a printed copy of the aforesaid corporate communications by post.

Notices regarding the exercise of rights stipulated by these Articles shall be posted on newspapers or websites also.

In case of joint shareholders, the Company only needs to deliver or post notices, information or other documents to one of the joint shareholders.

- 18.02 If shareholders did not provide a registered address or due to major errors in the address resulting in such shareholders to be unreachable, the Company only needs to keep the relevant notices and statements at the legal address of the Company for 24 hours, such shareholders shall be deemed to have received the relevant notices.
- 18.03 The information disclose by the Company in accordance with laws shall be published on the website of stock exchanges and in the media that meets the conditions stipulated by the CSRC.
- 18.04 Notices of the Company issued to domestic investment share shareholders shall be published on newspapers specified by the national securities regulatory body or more than one newspaper. Once the announcements have been published, all domestic investment share shareholders shall be deemed to have received such notices.
- 18.05 Notices that are delivered by post, only need to clearly state the address and that the mail has been prepaid, and places the notice inside the envelope. When such mail which includes the notice has been placed inside a post box, it is deemed to be sent, and after 48 hours, it is deemed to be received.

- 18.06 Any notices, documents, information, or written statements given to the Company by shareholders or directors can be delivered through specified persons or registered mail to the legal address of the Company or the registered agent of the Company.

In order to prove that notices, documents, information, or written statements have been delivered to the Company, shareholders or directors shall provide proof of such notices, documents, information, or written statements have been delivered through usual methods or prepaid mail within the specified timeframe and to the correct address.

## Chapter 19 Notes

- 19.01 If any discrepancies occur between the Chinese and English versions of these Articles, the Chinese version shall be final.
- 19.02 The Board may formulate detailed conditions of these Articles in accordance with these Articles. The conditions of these Articles shall not conflict with these Articles.
- 19.03 Terms of “above”, “within”, and “below” used in these Articles shall include the numbers mentioned; “less than” and “outside” shall not include the numbers mentioned.
- 19.04 The following words shall have the following meanings in these Articles, excluding different meaning when viewed in context:

“These Articles”	The Articles of Association of the Company
“The Company”	Goldwind Science & Technology Co., Ltd.
“Subsidiaries”	Includes wholly owned and controlled subsidiaries
“The Board”	The board of directors of the Company
“The Chairman”	Chairman of the board of directors of the Company
“Directors”	Directors of the Company
“independent director”	Directors who are independent of the Company's shareholders and do not hold positions within the Company
“Supervisory Committee”	The Supervisory Committee of the Company, in accordance with laws of the PRC, the Supervisory Committee shall be responsible for supervising the Board of the Company and its members, the President, and other senior management staff
“Supervisors”	Members of the Supervisory Committee of the Company

“RMB”	The legal currency of the PRC
“The PRC”	The People’s Republic of China
“The PRC Law”	The legal constitutions of the PRC or any laws, regulations, and provisions (defined by context when necessary) effective in the PRC
“ <i>Company Law of the PRC</i> ”	The <i>Company Law of the PRC</i> approved by the 6 <sup>th</sup> meeting of the 13 <sup>th</sup> term of the Management Committee of the National People’s Congress on 26 October 2018, and effective as of 26 October 2018
“ <i>Securities Law of the PRC</i> ”	The <i>Securities Law of the PRC</i> approved by the 15 <sup>th</sup> meeting of the 13 <sup>th</sup> term of the Management Committee of the National People’s Congress on 28 December 2019, and effective as of 1 March 2020
“Hong Kong Shareholder Kong Register”	Part of the shareholder register kept in Hong Kong in accordance with these Articles
“HKEx”	The Stock Exchange of Hong Kong Limited
“HKEx Listing Rules”	<i>Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited</i>
“Arbitrator”	The China International Economic and Trade Arbitration Commission or the Hong Kong International Arbitration Centre
“Special Resolution”	Resolutions approved by over two-thirds of shareholders in attendance
“Ordinary Resolution”	Resolutions approved by over half of shareholders in attendance

- 19.05 The term “accounting firm” used in these Articles has the same meaning as “auditor”.
- 19.06 These Articles were written in Chinese, if discrepancies occur between versions of any other language, the most recently approved Chinese version by the Market Supervision Administration of Xinjiang Uyghur Autonomous Region shall be final.
- 19.07 The explanation rights of these Articles belong to the Board of the Company, and the amendment rights belong to the shareholders’ general meetings.