

**REPT BATTERO Energy Co., Ltd.**

**Articles of Association**

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## CHAPTER I GENERAL PROVISIONS

- Article 1** In order to protect the legitimate rights and interests of REPT BATTERO Energy Co., Ltd. (hereinafter referred to as the “Company”), its shareholders and creditors and to regulate the organization and activities of the Company, the Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, the Guidelines for the Articles of Association of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”), and other relevant provisions of relevant laws, administrative regulations and regulatory documents.
- Article 2** The Company is a joint stock limited company established by way of overall alteration by REPT BATTERO Energy Co., Ltd. (hereinafter referred to as the “REPT Energy Ltd”) in accordance with the Company Law and other relevant provisions in the PRC. The Company was established by way of promotion upon the approval of Wenzhou Market Supervision and Administration Bureau and was registered with Wenzhou Market Supervision and Administration Bureau on April 7, 2022, and obtained a business license according to law (unified social credit code: 91330300MA299D8M4D).
- Article 3** Upon filing with the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) on October 19, 2023, the Company issued overseas listed foreign Shares (hereinafter referred to as the “H Share(s)”) in Hong Kong Special Administrative Region of the PRC (hereinafter referred to as “Hong Kong”), and the H Shares were listed on the Stock Exchange of Hong Kong Limited (hereinafter referred to as “Hong Kong Stock Exchange”) on the Listing Date.
- Article 4** The registered name of the Company:
- Chinese name: 瑞浦蘭鈞能源股份有限公司  
English name: REPT BATTERO Energy Co., Ltd.
- Article 5** Domicile of the Company: No. 205, Binhai 6th Road, Wenzhouwan New District, Longwan District, Wenzhou, Zhejiang Province
- Article 6** The registered capital of the Company is RMB2,276,874,050.

- Article 7** The Company is a joint stock limited company with permanent existence.
- Article 8** The legal representative of the Company is the chairman of the Board.
- Article 9** All assets of the Company shall be divided into shares of equal value. Shareholders bear responsibilities to the Company to the extent of the number of the shares they subscribe. The Company bears responsibilities for its debts with all its assets.
- Article 10** Since the effective date, the Articles of Association shall constitute legally binding documents that regulate the organization and activities of the Company, the rights and obligations between the Company and its shareholders and between shareholders inter se.
- The Articles of Association shall be legally binding on the Company, its shareholders, directors, supervisors and senior management, all of whom shall be entitled to, according to the Articles of Association, make claims in respect of rights concerning the matters of the Company.
- Pursuant to the Articles of Association, shareholders may sue shareholders; shareholders may sue the Company; shareholders may sue directors, supervisors and senior management of the Company; and the Company may sue shareholders, directors, supervisors and senior management.
- For the purposes of the preceding paragraph, the term “sue” shall include the institution of proceedings in a court or the application to an arbitration institution for arbitration.

## CHAPTER II BUSINESS PURPOSE AND SCOPE

**Article 11** The business purpose of the Company is to improve the level of operation and management, maximize economic benefits and create satisfactory economic returns for all shareholders through the organization of a joint stock limited company.

**Article 12** Upon registration according to the law, the Company's business scope is as follows: general projects: battery manufacturing; battery sales; energy storage technology services; recycling and echelon use of wasted power storage batteries of new energy vehicles (excluding hazardous waste operations); recycling of renewable resources (except for productive scrap metal); renewable resource processing; renewable resource sales; resource recycling technology research and development; battery spare parts production; battery spare parts sales; electronic components manufacturing; power electronic components manufacturing; power electronic components sales; instrument and meter manufacturing; capacitor and ancillary equipment manufacturing; capacitor and ancillary equipment sales; charging pile sales; technical services, technology development, technical consultation, technology exchange, technology transfer, technology promotion; enterprise management; software development; information consulting services (excluding licensing information consulting services); information technology consulting services; engineering management services; leasing services (excluding licensing leasing services); non-residential real estate leasing; housing leasing; machinery and equipment leasing; metal material sales; import and export of goods; import and export of technology (except for projects subject to approval according to law, business activities can be carried out independently with a business license and in accordance with the law).

## CHAPTER III SHARES

### Section 1 Issuance of Shares

**Article 13** The shares of the Company shall take the form of share certificates. The Company shall have ordinary shares at all times. Ordinary shares issued by the Company include both domestic and foreign shares.

Where the share capital of the Company includes shares which do not carry voting rights, the designation of such shares must include the words “no voting rights”. Where the share capital includes shares with different voting rights, the designation of each class of shares, other than those with the most privileged voting rights, must include the words “restricted voting rights” or “limited voting rights”.

Transfer of shares shall be recorded in the register of members. The Company may keep overseas the register of holders of overseas listed foreign shares and entrust the administration thereof to an overseas agent in accordance with the understanding and agreement reached between the Securities Regulatory Authorities of the State Council and the overseas Securities Regulatory Authorities. The original register of holders of overseas listed foreign shares listed in Hong Kong shall be kept in Hong Kong.

The Company shall keep a complete register of members. The register of members shall include the following parts:

- (I) the register(s) of shareholders kept at the Company’s domicile other than those specified in items (II) and (III) of this Article;
- (II) the register(s) of holders of overseas listed foreign shares kept in the place(s) of the overseas stock exchange(s) where the shares are listed;
- (III) the register(s) of shareholders kept in other places as the Board may decide and consider necessary for listing purposes.

Changes and corrections to each part of the register of members shall be carried out in accordance with the laws of the places where each part is kept.

**Article 14** The Company shall issue shares in an open, fair and just manner, and each share of the same class shall rank pari passu with each other.

Shares of the same class in the same issue shall be listed under the same conditions and at the same price; any entity or individual shall pay the same price for each share subscribed.

**Article 15** All the shares issued by the Company shall have a nominal value denominated in Renminbi which shall be RMB1.00 for each share.

**Article 16** Subject to approval by or filing with the securities regulatory authority of the State Council, the Company may issue shares to domestic investors and foreign investors.

For the purposes of the preceding paragraph, the term “foreign investors” shall refer to investors from foreign countries or from Hong Kong, Macao or Taiwan that subscribe for the shares issued by the Company; and the term “domestic investors” shall refer to investors within the territory of the People’s Republic of China, excluding the above-mentioned regions, that subscribe for the shares issued by the Company.

**Article 17** Shares issued by the Company to domestic investors to be subscribed for in Renminbi are referred to as “domestic shares”. Shares issued by the Company to foreign investors to be subscribed for in foreign currency are referred to as “foreign shares”. Foreign shares which are listed outside the PRC are referred to as “overseas listed foreign shares”.

For the purposes of the preceding paragraph, the term “foreign currency” means the legal currency of other countries or regions (other than the Renminbi) which is recognized by the competent state foreign exchange administration authority and can be used to pay the subscription monies to the Company.

Foreign shares issued by the Company and listed in Hong Kong are referred to as “H Shares”. H Shares are shares which have been admitted for listing on the Hong Kong Stock Exchange with a nominal value denominated in RMB and are subscribed for and traded in HK dollars.

Holders of domestic shares and holders of foreign shares are both ordinary shareholders and shall enjoy the same rights and assume the same obligations in respect of any distributions made in the form of dividends or other forms.

The Company's shares in issue but unlisted at both domestic and overseas stock exchanges shall be referred to as unlisted shares. Upon the issuance and listing of the Company's shares overseas, subject to filing with the securities regulatory authority of the State Council, holders of the unlisted shares of the Company may transfer all or part of the shares held by them to foreign investors and have such shares listed and traded on an overseas stock exchange; shareholders holding domestic unlisted shares of the Company (including domestic unlisted shares held by domestic shareholders prior to overseas listing, domestic unlisted shares issued in China upon overseas listing and unlisted shares held by overseas shareholders) may convert all or part of the domestic unlisted shares they hold into overseas listed shares, and the converted shares may be listed and traded on an overseas stock exchange. The shares transferred or converted as mentioned above shall also be subject to the regulatory procedures, regulations and requirements of the overseas securities market if they are listed and traded on an overseas stock exchange. The listing and trading of shares on an overseas stock exchange or the conversion of domestic unlisted shares into foreign shares for listing and trading on an overseas stock exchange as mentioned above does not require voting at the shareholders' general meeting.

The domestic unlisted shares issued by the Company are collectively deposited with China Securities Depository and Clearing Corporation Limited. The H shares issued by the Company are mainly deposited in Hong Kong in an escrow company under Hong Kong Securities Clearing Company Limited.

**Article 18**

The Company is a joint stock limited company altered and established by conversion of the audited net assets as of November 30, 2021 into shares as a whole by REPT Energy Ltd. The total number of shares approved to be issued at the time of the establishment of the Company was 1,463,414,634 shares, all of which were subscribed for by the promoters of the Company at the time of its establishment with the net assets corresponding to the equity interests of REPT Energy Ltd held by them as capital contribution and were all ordinary shares. The number of shares held by each of the promoters at the time of the establishment of the Company and their percentage of shareholding are as follows:



No.	Name of promoters	Number of shares held (shares)	Percentage of shareholding	Form of contribution	Time of contribution
1	Yongqing Technology Co., Ltd. (永青科技股份有限公司)	1,050,146,341	71.7600%	By conversion of net assets into shares	November 30, 2021
2	Wenzhou Jingli Business Service Partnership (Limited Partnership) (溫州景鋰商務服務合夥企業(有限合夥))	264,000,000	18.0400%	By conversion of net assets into shares	November 30, 2021
3	Wenzhou Ruili Enterprise Development Partnership (Limited Partnership) (溫州瑞鋰企業發展合夥企業(有限合夥))	96,000,000	6.5600%	By conversion of net assets into shares	November 30, 2021
4	Wenzhou Qingshan Metal Material Partnership (Limited Partnership) (溫州青衫金屬材料合夥企業(有限合夥))	24,000,000	1.6400%	By conversion of net assets into shares	November 30, 2021
5	Wenzhou Zhuorui Energy Saving Technology Partnership (Limited Partnership) (溫州卓瑞節能技術合夥企業(有限合夥))	29,268,293	2.0000%	By conversion of net assets into shares	November 30, 2021
<b>Total</b>		<b><u>1,463,414,634</u></b>	<b><u>100.0000%</u></b>	-	-

#### Article 19

The Company may conduct initial public offering of 116,070,200 shares of overseas listed foreign shares, whereby shareholders of the Company convert all or part of their domestic unlisted shares in the aggregate of 191,307,938 shares into overseas listed shares.

Upon completion of initial public offering of overseas listed foreign shares and the conversion of the 191,307,938 domestic unlisted shares into overseas listed shares, the share capital of the Company shall consist of 2,276,874,050 ordinary shares, consisting of 307,378,138 overseas listed foreign shares and 1,969,495,912 domestic unlisted shares.

The registered capital of the Company before issuing overseas listed foreign shares is RMB2,160,803,850. After the completion of the aforesaid issuance of overseas listed foreign shares, the registered capital of the Company shall be RMB2,276,874,050.

**Article 20** As for the Company's plan to issue overseas listed foreign shares and domestic shares, the Board of the Company may make implementation arrangements for separate issuance.

**Article 21** If the Company separately issues overseas listed foreign shares and domestic shares within the total number of shares specified in the issuance plan, the shares shall be fully subscribed for at one time; if the shares cannot be fully subscribed for at one time under special circumstances, the shares may be issued in several tranches.

**Article 22** The transfer of the Company's shares shall be carried out in accordance with the applicable PRC laws and regulations, the relevant requirements of the securities regulatory authorities of the place where the Company's shares are listed and the Hong Kong Stock Exchange.

The Company or its subsidiaries (including the Company's affiliated enterprises) shall not provide any assistance in the form of gifts, advances, guarantees, compensation or loans and other forms to purchasers or prospective purchasers of shares of the Company.

## **Section 2 Increase/Decrease and Repurchase of Share**

**Article 23** The Company may, based on its operation and development needs and in accordance with laws and administrative regulations, increase its registered capital in the following ways in accordance with the listing rules of the stock exchange where the Company's shares are listed and the provisions of the Articles of Association:

- (1) Public offering of shares;
- (2) Non-public offering of shares;
- (3) distributing bonus shares to its existing shareholders;
- (4) conversion of capital reserve into share capital;

- (5) other means approved by the PRC laws and regulations, the securities regulatory authorities of the place where the Company's shares are listed and the Hong Kong Stock Exchange.

After the Company's increase of share capital by means of the issuance of new shares has been approved in accordance with the provisions of the Articles of Association, it shall be made in accordance with the procedures set out in the relevant laws and administrative regulations of the PRC and the listing rules of the stock exchange where the Company's shares are listed.

**Article 24** According to the Articles of Association, the Company may reduce its registered capital.

The Company shall reduce its registered capital in accordance with the Company Law, the listing rules of the stock exchange where the Company's shares are listed and other relevant regulations and the procedures stipulated in the Articles of Association.

**Article 25** The Company may, in accordance with the procedures set out in the Articles of Association, repurchase its outstanding shares under the following circumstances:

- (1) the Company decreases its registered capital;
- (2) merging with another company that holds shares in the Company;
- (3) using the shares for employee stock ownership plan or equity incentives;
- (4) acquiring shares held by shareholders (upon their request) who vote against any resolution proposed in any shareholders' general meeting on the merger or division of the Company;
- (5) using the shares for conversion of corporate bonds issued by the listed company that are convertible into shares;
- (6) it is necessary for the Company to safeguard its corporate value and shareholders' interests;
- (7) other circumstances stipulated by the PRC laws and regulations, the securities regulatory authorities of the place where the Company's shares are listed and the Hong Kong Stock Exchange.

Except for the aforesaid circumstances, the Company shall not purchase its own shares.

Where the Company acquires its own shares under the circumstances set out in items (1) and (2) of the preceding paragraph, it shall be subject to the resolution of the shareholders' general meeting; where the Company acquires its own shares under the circumstances set out in items (3), (5) and (6) of the preceding paragraph, it shall be subject to the resolution of the Board meeting attended by more than two-thirds of the Directors.

After the Company acquires its own shares in accordance with the provisions of the first paragraph of this Article, such shares shall be canceled within ten days from the date of buy-back in the case of item (1); such shares shall be transferred or canceled within six months in the case of items (2) and (4); such shares shall not exceed 10% of the total issued shares of the Company in the case of items (3), (5) and (6), and shall be transferred or canceled within three years.

Where the Company acquires its own shares, it shall fulfill its information disclosure obligations in accordance with the Securities Law and the Hong Kong Listing Rules.

Where the PRC laws and regulations, the securities regulatory authorities of the place where the Company's shares are listed and the Hong Kong Stock Exchange have other provisions on the relevant matters relating to share repurchase, such provisions shall prevail.

## **Article 26**

The Company may purchase its own shares in the manner of centralized public trading, or other methods approved by the PRC laws and regulations, the securities regulatory authorities of the place where the Company's shares are listed and the Hong Kong Stock Exchange.

Where the Company purchases its own shares under the circumstance set forth in items (3), (5) or (6), paragraph 1 of Article 25 of the Articles of Association, it shall conduct trading in the manner of centralized public trading.

### Section 3 Transfer of Shares

**Article 27** Unless otherwise provided by the PRC laws and regulations, the securities regulatory authorities of the place where the Company's shares are listed and the Hong Kong Stock Exchange, fully-paid shares of the Company are free from any restriction on the right of transfer and are freely transferable without any lien attached. Transfer of overseas listing foreign shares (H shares) listed in Hong Kong shall be made to the local share registrar in Hong Kong appointed by the Company.

**Article 28** All fully paid-up H Shares may be freely transferred in accordance with the Articles of Association. However, unless such transfer complies with the following requirements, the Board of Directors may refuse to recognize any instrument of transfer without providing any reason:

- (1) the fees stipulated by the Hong Kong Stock Exchange in the Hong Kong Listing Rules, which shall not exceed the maximum rate specified in Hong Kong Listing Rules from time to time, have been paid to the Company, and transfer documents of the shares and other documents relating to or affecting the ownership the shares have been registered;
- (2) the instrument of transfer only involves the Hong Kong-listed H shares;
- (3) the stamp duty payable on the transfer instrument has been paid;
- (4) the relevant share certificates and evidence reasonably required by the Board of Directors showing that the transferor has the right to transfer such shares shall be provided;
- (5) if the shares are to be transferred to joint holders, the number of joint holders shall not exceed four;
- (6) the Company does not have any lien over the relevant shares; and
- (7) shares shall not be transferred to minors or persons of unsound mind or affected by other forms of legal incapacity.

If the Company refuses to register any transfer of shares, it shall provide the transferor and the transferee with a notice of refusal in relation to registration of share transfer within two months from the formal application for such registration.

**Article 29** All H Shares shall be transferred by way of written transfer instrument in standard or general form, or any other format acceptable to the Board of Directors (including the standard transfer format or form of transfer as prescribed from time to time by the Hong Kong Stock Exchange). A written transfer document may be signed by hand or by the valid seal of the company (where the transferor or transferee is a company). In the event that the transferor or transferee is a recognized clearing house (“Recognized Clearing House”) as defined under the relevant ordinances in effect from time to time in the laws of Hong Kong or its agent, the written transfer document may be signed by hand or in a machine-printed form.

All the transfer documents shall be kept at the legal address of the Company or an address designated by the Board of Directors from time to time.

**Article 30** The Company shall not accept its own shares as the subject matter of a pledge.

**Article 31** Shares of the Company held by the promoters shall not be transferred within one year from the date of establishment of the Company.

Directors, supervisors and senior management of the Company shall report to the Company their shareholdings in the Company and changes thereof and shall not transfer more than 25% of the total number of shares of the Company held by them each year during their term of office. Shares of the Company held by them shall not be transferred within one year from the date of listing and trading of the Company’s H shares. The aforementioned personnel shall not transfer the shares of the Company held by them within half a year after they leave the Company.

**Article 32** Any gains from the sale of shares of the Company by any director, supervisor, senior management or shareholders holding more than 5% of the shares of the Company, sell shares or other securities with an equity nature within six months after buying the same or buy shares or securities within six months after selling the same, the earnings arising therefrom shall belong to the Company and the Company’s Board of Directors shall recover such earnings. However, the restriction shall not be applicable to any sale of shares by a securities company holding 5% or above of the Company’s shares as a result of its purchase and underwriting of the untaken shares after offering and other circumstances stipulated by the CSRC.

The shares or other equity securities held by the directors, supervisors, senior management and natural person shareholders referred to in the preceding paragraph shall include the shares or other equity securities held by their spouse, parents, children, and those held through the accounts of others.

If the Board of Directors of the Company fails to comply with the provisions of the first paragraph of this Article, the shareholders shall have the right to request the Board of Directors to implement the provisions within 30 days. If the Board of Directors of the Company fails to carry out the enforcement within the aforesaid time limit, the shareholders shall have the right to directly file a lawsuit in the People's Court for the benefit of the Company in their own name.

If the Board of Directors of the Company fails to comply with the first paragraph of this Article, relevant responsible directors shall bear joint liability pursuant to the laws.

#### **CHAPTER IV SHARE CERTIFICATES AND SHARE REGISTER**

**Article 33** Share certificates of the Company shall be in registered form. In addition to providing information required by the Company Law, share certificates of the Company shall also contain any other matters specified by the stock exchanges where the of the Company's shares are listed.

The Company may issue H shares in the form of foreign depository certificates or other derivatives of shares in accordance with the requirements of the laws of Hong Kong, the requirements of the Hong Kong Stock Exchange and the practices of registration and deposit of securities.

**Article 34** When the H shares are listed on the Hong Kong Stock Exchange, the Company shall ensure that all of the listing documents relating to the securities listed on the Hong Kong Stock Exchange contain the following statements, and shall instruct and procure the share registrars not to register any subscription, purchase or transfer of share in the name of any individual holder unless and until he/she submits such properly executed forms to the share registrars, which shall include the following statements:

- (1) the share purchaser agrees with the Company and each shareholder of the Company, and the Company agrees with each shareholder, to observe and comply with the Company Law and other relevant laws, administrative regulations and the Articles of Association.
- (2) the share purchaser agrees with the Company and each shareholder of the Company that the shares of the Company are freely transferable by the holder thereof.
- (3) the share purchaser authorizes the Company to enter into a contract on his/her behalf with each director and senior management whereby such director and senior management undertake to observe and comply with their obligations to the shareholders stipulated in the articles of association.

**Article 35** The Company shall create a register of shareholders based on the documents provided by the securities depository institution, and the register of shareholders is sufficient evidence of shareholders' holding of shares of the Company. The register of shareholders shall be kept at the Company and shareholders shall have the right to inspect it. The Company shall manage the register of shareholders in accordance with the Company Law and other laws and administrative regulations and the requirements of the relevant regulatory bodies.

**Article 36** Subject to the Articles of Association and all other applicable requirements and upon transfer of the Company's shares, the transferees of the shares will become the holders of such shares with their names being entered in the register of shareholders.

All instruments of transfer and other documents related to the ownership of any overseas listing shares or affecting the ownership of any overseas listing shares shall be registered. If any fees are charged in respect of such registration, such fees shall not exceed the highest fees as prescribed by the Hong Kong Stock Exchange.



Where two or more persons are registered as joint shareholders of any shares, they should be deemed as joint owners of such shares and subject to the following restrictions:

- (1) the restricted number of holders jointly registered shall not exceed four if the Company is entitled to restrict the number of shareholders of joint shareholders account;
- (2) all joint shareholders of any shares shall jointly and severally assume obligation for all amounts payable for relevant shares;
- (3) if one of the joint shareholders deceased, only the surviving joint shareholders shall be deemed by the Company to be such persons as having the ownership of the relevant shares, but the Board of Directors shall have the right, for the purpose of making amendments to the register of shareholders, to demand a death certificate of the relevant shareholder where it deems appropriate to do so; and
- (4) in the event of there being joint shareholders of any share, any of them may attend a shareholders' general meeting of the Company or exercise the voting rights of the shares (regardless of attendance in person or by proxy). If more than one of the joint shareholders attend the shareholders' general meeting in person, or by proxy, only the attendee whose name appears first in the register of shareholders among such joint shareholders is entitled to vote for such shares, receive notices of the Company and attend or exercise all voting rights of the relevant shares at the shareholders' general meeting of the Company. Any notices served to the aforesaid persons shall be deemed to have been served to all joint shareholders of relevant shares.

Any receipts issued by any joint shareholders in respect of any dividends, bonuses or capital returns payable to such joint shareholders shall be deemed to be the effective receipts issued by such joint shareholders to the Company.

**Article 37**

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

**Article 38** For any person who is a registered shareholder or who claims to be entitled to have his/her name (title) entered in the register of shareholders in respect of shares in the Company, if his/her share certificate (hereinafter, “original share certificate”) is lost, he/she may apply to the Company for a replacement share certificate in respect of such shares (hereinafter, the “Relevant Shares”). Applications for a replacement share certificate by shareholders of domestic shares shall be addressed pursuant to relevant requirements of the Company Law. Applications for a replacement share certificate by holders of overseas-listed foreign shares shall be addressed pursuant to the laws, the rules of the stock exchange, or other relevant regulations of the jurisdiction in which the original register of shareholders for overseas-listed foreign shares is maintained.

## **CHAPTER V RIGHTS AND OBLIGATIONS OF SHAREHOLDERS**

**Article 39** A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is entered in the register of shareholders.

A shareholder shall enjoy rights and assume obligations according to the class and number of shares held by him. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

**Article 40** The ordinary shareholders of the Company shall enjoy the following rights:

- (1) to receive dividends and other distributions in proportion to the number of shares held;
- (2) to request, convene, preside over, attend or appoint a proxy to attend shareholders’ general meetings, to speak at the meeting and to exercise the corresponding voting rights in accordance with the laws;
- (3) to supervise the Company’s operations, and to put forward proposals or raise inquiries;
- (4) the right to transfer, give or pledge shares held by them in accordance with laws, administrative regulations, listing rules of the place where the shares of the Company are listed and the Articles of Association;

- (5) to obtain relevant information in accordance with the Articles of Association, including:
1. the right to obtain the copy of the Articles of Association upon payment of the cost thereof;
  2. The right to inspect for free and copy upon payment of a reasonable fee:
    - (1) all parts of the copy of the register of shareholders;
    - (2) personal particulars of each of the Company's Directors, Supervisors, general managers and other Senior Management, including:
      - (a) present and former names and aliases;
      - (b) principal address (residence);
      - (c) nationality;
      - (d) primary and all other part-time occupations and duties;
      - (e) identification document and its number;
    - (3) status of the Company's share capital;
    - (4) the latest audited financial statements of the Company and the reports of the Board, auditors and the Supervisory Committee;
    - (5) reports showing the aggregate par value, quantity, highest and lowest price paid in respect of each class of shares repurchased by the Company since the end of the last accounting year and the aggregate amount paid by the Company for this purpose;

- (6) a copy of the latest annual inspection report filed with the competent administration for industry and commerce or other competent authorities;
- (7) minutes of shareholders' general meetings (for shareholders' review only) and special resolutions of the Company.

The Company shall publish the documents mentioned in the preceding paragraph (2) and other applicable documents on the websites of Hong Kong Stock Exchange and the Company in accordance with the requirements of the Hong Kong Listing Rules. The Company shall make full copy of the register of shareholders and the minutes of the shareholders' general meetings available at the Company's Hong Kong address for inspection by the shareholders for free and photocopying by shareholders upon a reasonable charge.

The Company may refuse to provide any of the information it has inspected and photocopied that involves commercial secrets and inside information of the Company as well as personal privacy of relevant personnel.

- (6) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the number of shares held;
- (7) to request the Company to purchase the shares held by shareholders who vote against any resolution proposed in any shareholders' general meetings on the merger or division of the Company;
- (8) Shareholders individually or jointly holding more than 3% of the Company's shares shall have the right to propose extraordinary resolutions in writing to the Board ten days prior to the convening of the shareholders' general meetings;
- (9) other rights conferred by laws, administrative regulations, listing rules of the place where the shares of the Company are listed or the Articles of Association.

**Article 41** Where shareholders request for inspection of the relevant information or demand for materials as mentioned in the preceding Articles of Association, they shall provide the Company with written documents evidencing the class and number of shares of the Company they hold. Upon verification of the shareholder's identity, the Company shall provide information requested by such shareholder.

**Article 42** If a resolution of the shareholders' general meetings or Board of the Company violates a law or administrative regulation, shareholders have the right to petition People's Court to invalidate the resolution.

If the procedure of convening or the method of voting at the shareholders' general meetings or a Board meeting of the Company violates the laws, administrative regulations or these Articles of Association, or if the content of a resolution is in breach of these Articles of Association, shareholders shall have the right to petition People's Court to revoke such resolution within 60 days from the date on which the resolution is adopted.

**Article 43** in the event of any loss caused to the Company as a result of violation of laws or the regulations of these Articles of Association by the directors or senior management when performing their duties, any of the shareholders who holds 1% or more of the shares individually or jointly for no less than 180 consecutive days shall have the right to request the Supervisory Committee in writing to initiate litigation before the People's Court. In the event of any loss caused to the Company as a result of violation of laws, administrative regulations or these Articles of Association by the Supervisory Committee when performing its duties, any of the shareholders may request the Board in writing to initiate litigation before the People's Court.

In the event that the Supervisory Committee or the Board dismisses the written request of any of the shareholders as specified in the preceding paragraph, or withholds from instituting litigation within 30 days of the receipt of the request, or that the failure to institute litigation immediately may otherwise cause irreparable damage to the interest of the Company in an urgent circumstance, such shareholder(s) as mentioned in the preceding paragraph shall have the right to initiate litigation before the People's Court in the name(s) of such shareholder(s) in the interest of the Company.

If a third party infringes on the lawful rights and interests of the Company, thereby causing the Company to sustain a loss, the shareholders mentioned in the first paragraph of this Article may initiate litigation before the People's Court pursuant to the preceding two paragraphs.

**Article 44** In the event that any director or senior management violates laws, administrative regulations or these Articles of Association to the detriment of the interest of the shareholders, the shareholders may initiate litigation before the People's Court.

**Article 45** The shareholders the ordinary shares of the Company shall assume the following obligations:

- (1) to abide by laws, administrative regulations, listing rules of the place where the shares of the Company are listed and the Articles of Association;
- (2) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (3) not to withdraw their shares unless required by laws and administrative regulations;
- (4) not to abuse their shareholders' rights to damage the interests of the Company or other shareholders; not to abuse the independent legal person status of the Company and the limited liability of shareholders to damage the interests of the creditors of the Company;
- (5) other obligations imposed by laws, administrative regulations, listing rules of the place where the shares of the Company are listed and the Articles of Association.

Where any shareholder of the Company abuses the shareholders' rights and incur losses to the Company or other shareholders, such shareholder shall be liable for the damages. Where shareholders of the Company abuse the Company's status as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

**Article 46** “controlling shareholder” used in these Articles of Association means a person that satisfies any of the following conditions:

- (1) he or she, acting alone or in concert with others, has the power to elect at least one half of the directors;
- (2) he or she, acting alone or in concert with others, has the power to exercise or to control the exercise of at least 30 percent of the Company’s voting rights;
- (3) he or she, acting alone or in concert with others, holds at least 30 percent of the outstanding shares of the Company;
- (4) he or she, acting alone or in concert with others, actually controls the Company in any other manner.

**Article 47** If a holder of at least 5% of the voting shares of the Company wishes to create a pledge over his or her shares, he or she shall report the same in writing to the Company on the date such pledge is created.

**Article 48** The controlling shareholder and de facto controller of the Company may not take advantage of their connected relationships to harm the interests of the Company, and they shall be held liable for damages if, as a result of violating a regulation, they cause the Company to sustain a loss.

The controlling shareholder and the de facto controller of the Company bear a fiduciary duty toward the Company and public shareholders. The controlling shareholder shall exercise its rights as an investor in strict accordance with the laws. The controlling shareholder may not use such means as profit distribution, asset restructuring, investment in a third party, appropriation of funds, loan security, etc. or use its controlling position to harm the lawful rights and interests of the Company and the public shareholders.

## CHAPTER VI SHAREHOLDERS' GENERAL MEETINGS

### Section 1 General Provisions for Shareholders' General Meetings

**Article 49** The shareholders' general meetings is the organ of authority of the Company and shall exercise the following functions and powers in accordance with laws:

- (1) to decide on the Company's business policies and investment plans;
- (2) to elect and replace Directors, and Supervisors who are not representatives of the employees and to decide on matters relating to the remuneration of Directors and Supervisors;
- (3) to examine and approve reports of the Board of Directors;
- (4) to examine and approve reports of the Supervisory Committee;
- (5) to examine and approve the Company's annual financial budget and final accounts;
- (6) to examine and approve the Company's profit distribution plans and loss recovery plans;
- (7) to resolve on the increase or reduction of the Company's registered capital;
- (8) to resolve on the issue of bonds, issue of shares of any class, warrants and other similar securities and listing of the Company;
- (9) to resolve on the merger, division, dissolution, liquidation or change of corporate form of the Company;
- (10) to amend the Articles of Association;



- (11) to resolve on the appointment, dismissal or non-reappointment of the accounting firm of the Company;
- (12) to examine and approve guarantees which shall be approved by the shareholders' general meetings;
- (13) to consider and approve matters relating to the Company's purchase or disposal of material asset or guarantees with an amount exceeding 30% of the total assets of the Company within one year;
- (14) to consider and approve matters concerning the changes of uses of the funds raised;
- (15) to consider share incentive plans and employee stock option plans;
- (16) to consider other matters required by the laws, administrative regulations, listing rules of the place where the shares of the Company are listed or the Articles of Association to be decided by the shareholders' general meetings.

The above matters within the terms of reference of the shareholders' general meetings shall be considered and decided by the shareholders' general meetings. The above-mentioned powers of the shareholders' general meetings shall not be exercised by the Board or other institutions or individuals by way of authorization. The shareholders' general meetings may authorize or entrust the Board to handle the matters authorized or entrusted by it without violating the PRC laws and regulations, regulations and regulatory rules of the place where the Company's shares are listing, and the delegation of authority shall be clear and specific and shall be made in writing, but shall not delegate to the Board of Directors powers and functions that are legally exercised by the shareholders' general meetings.

**Article 50**

Any external guarantee of the Company shall be considered and approved by the Board. Any guarantee provided by the Company to its shareholders or de facto controllers shall be subject to the resolution of the Shareholders' general meetings.

Under the following circumstances, the external guarantees of the Company must be considered and approved at the shareholders' general meetings.

- (1) Guarantees provided after the total amount of external guarantees provided by the Company and its controlled subsidiary companies exceeds 50% of the Company's audited net assets of the last period;
- (2) Guarantees provided after the total amount of external guarantees provided by the Company exceeds 30% of the Company's audited total assets of the last period;
- (3) Guarantees provided by the Company within one year exceed 30% of the Company's audited total assets of the last period;
- (4) Guarantees provided for a party whose liability-asset ratio exceeds 70%;
- (5) A single guarantee which exceeds 10% of the Company's audited net assets of the last period;
- (6) Guarantees provided for shareholders, the actual controller, and the affiliates thereof.

When the shareholders' general meetings is considering a proposal to provide guarantee for any shareholder or de facto controller, the said shareholder or the shareholders controlled by the said de facto controller shall be abstained from voting on the proposal, and the proposal shall be subject to approval by more than half of the voting rights of the other attending shareholders.

If a director, the general manager, and other senior management member violate the provisions on the approval authority or consideration procedure of guarantee to third parties as specified in laws, administrative regulations, or these Articles of Association, thereby causing the Company to sustain a loss, he or she shall be liable for the damages and the Company may institute a legal action against him or her in accordance with the law.

**Article 51**

Except in exceptional circumstances such as a crisis, the Company will not enter into a contract with a person other than a director, general manager or other senior manager to whom the management of the whole or significant part of the business of the Company is entrusted, except with the approval of a special resolution of the Shareholders' general meetings.

**Article 52**

The shareholders' general meetings are divided into annual general meetings and extraordinary general meetings. The annual general meetings shall be held once every year within six months after the end of the previous accounting year.

Extraordinary general meetings shall be convened when necessary. The Board shall convene an extraordinary general meetings within two months from the date of occurrence of any of the following circumstances:

- (1) the number of Directors is less than the number stipulated in the Company Law or less than two-thirds of the number specified in the Articles of Association;
- (2) when the unrecovered losses of the Company amount to one-third of the total amount of its paid-up share capital;
- (3) shareholders individually or jointly holding more than 10% of the Company's shares request in writing;
- (4) when deemed necessary by the Board or as proposed by the Supervisory Committee;
- (5) other circumstances stipulated by the laws and regulations of the PRC, the securities regulatory authorities of the place where the shares of the Company are listed and the Hong Kong Stock Exchange.

In the event of the aforesaid (3) to (4), the topics of the meeting proposed by the convening requester shall be included in the agenda of the meeting.

**Article 53**

A meeting venue will be established for shareholders' general meetings and meetings shall be held on site. The Company will also provide online voting to facilitate shareholders' participation in the shareholders' general meetings. The shareholders that have participated in the meeting through access of any aforesaid means shall be deemed as present at the meeting.

## Section 2 Convening, Proposals and Notice of Shareholders' General Meetings

**Article 54** Shareholders' General Meetings shall be convened by the Board in accordance with laws.

Independent directors shall have the right to propose to the board of directors the convening of an extraordinary Shareholders' General Meeting. With respect to this proposal, the board of directors shall, in accordance with laws, administrative regulations and these Articles of Association, bring forward a feedback opinion in writing, within ten days of receiving the proposal, on agreeing or disagreeing with convening the extraordinary Shareholders' General Meeting. In the event that the board of directors agrees to convene the extraordinary Shareholders' General Meeting, it shall issue a notice of convening a Shareholders' General Meeting within five days of making a resolution. In the event that the board of directors does not agree to convene the extraordinary Shareholders' General Meeting, it shall explain the reasons and make an announcement.

The Supervisory Committee shall have the right to propose to the board of directors the convening of an extraordinary Shareholders' General Meeting and shall do so in writing. The board of directors shall, in accordance with laws, administrative regulations and these Articles of Association, bring forward a feedback opinion in writing, within ten days of receiving the proposal, on agreeing or disagreeing with convening the extraordinary Shareholders' General Meeting.

In the event that the board of directors agrees to convene the extraordinary Shareholders' General Meeting, it shall issue a notice of convening a Shareholders' General Meeting within five days of making a resolution. Any changes in the original proposal in the notice shall be approved by the Supervisory Committee.

In the event that the board of directors does not agree to convene the extraordinary Shareholders' General Meeting or does not make any feedback within ten days of receiving the proposal, the board of directors shall be deemed as being unable to or as being not to perform the duty of convening the Shareholders' General Meeting. The Supervisory Committee may convene and preside over a meeting on their own.

**Article 55**

Shareholders who request to convene an extraordinary Shareholders' General Meeting shall follow the following procedures:

- (1) Shareholders individually or jointly holding more than 10% of the shares carrying the right to vote at the meeting sought to be held may sign one or more written requests of identical form and substance requesting the Board to convene an extraordinary Shareholders' General Meeting and stating the subject of the meeting. The Board shall bring forward a feedback opinion in writing within ten days of receiving the aforesaid written request, on agreeing or disagreeing with convening the extraordinary Shareholders' General Meeting. The aforesaid number of shares held shall be calculated as at the date of the written request.
- (2) If the board of directors agrees to hold the meeting, a notice of a shareholder's meeting shall be issued within five days after a resolution is made at a meeting of the board of directors, but any modification to the original request in the notice shall be subject to the consent of the relevant shareholder or shareholders.
- (3) If the board of directors disagrees to hold the meeting or no feedback is provided within 10 days after the request is received, the shareholder holding or shareholders aggregately holding 10% or more of the shares of the Company shall have the right to propose the holding of a special shareholders' meeting to the board of supervisors, but shall request it in writing.
- (4) If the board of supervisors agrees to hold the meeting, it shall issue a notice of holding a shareholder's meeting within five days after receiving the request, but any modification to the original request in the notice shall be subject to the consent of the relevant shareholder or shareholders.
- (5) If the board of supervisors fails to issue a notice of holding a shareholders' meeting within the prescribed time limit, it shall be deemed that the board of supervisors fails to convene and preside over the shareholders' meeting, and a shareholding holding or shareholders aggregately holding 10% or more of the shares of the Company for 90 consecutive days may convene and preside over the meeting on its or their own initiative.

**Article 56**

When a company convenes a Shareholders' General Meeting, shareholders individually or jointly holding more than 3% of a company's shares may submit ad hoc proposals in writing to the convener 10 days before the Shareholders' General Meeting is convened. The convener shall issue a supplementary notice of the Shareholders' General Meeting to other shareholders within two days after receipt of the proposal, and include the matters in the proposal which are within the scope of duties of the Shareholders' General Meeting into the agenda of the meeting and submit it to the Shareholders' General Meeting for consideration.

Except for the circumstances specified above, the convener shall not amend the proposals set out in the notice of the Shareholders' General Meeting or add new proposals after the issuance of the notice of the Shareholders' General Meeting.

Proposals not set out in the notice of the Shareholders' General Meeting or not complying with these Articles of Association shall not be voted on or resolved at the Shareholders' General Meeting.

**Article 57**

Proposals of the Shareholders' General Meeting shall meet the following conditions:

- (1) the content does not conflict with the laws, regulations and these Articles of Association, and is within the scope of business of the Company and the terms of reference of the Shareholders' General Meeting;
- (2) it shall have definite topics to discuss and specific matters to resolve;
- (3) it shall be in compliance with the laws, administrative regulations and relevant provisions hereof; and
- (4) it shall be submitted to the Board in writing.

**Article 58**

When the Company is to hold an annual Shareholders' General Meeting, it shall issue a written notice 20 days (excluding the date of the notice and the meeting) prior to the meeting informing all the registered shareholders of the matters to be considered at the meeting as well as the date and place of the meeting by way of an announcement. When the Company is to hold an extraordinary Shareholders' General Meeting, it shall issue a written notice 15 days (excluding the date of the notice and the meeting) prior to the meeting informing all the registered shareholders of the matters to be considered at the meeting as well as the date and place of the meeting by way of an announcement.

Unless otherwise specified in these Articles of Association, the notice of the Shareholders' General Meeting shall be delivered to shareholders (with or without voting rights at the Shareholders' General Meeting) personally or by postage prepaid mails to their addresses registered in the register of shareholders, or subject to compliance with the applicable laws and regulations and the listing rules of the place where the shares of the Company are listed, be published at the Company's website and the website designated by the Hong Kong Stock Exchange. If an announcement shall be made to the shareholders of overseas listed shares pursuant to the Articles of Association, the relevant announcement shall be published in the manner required by the Hong Kong Listing Rules. The notice of the Shareholders' General Meeting to the shareholders of domestic unlisted shares may also be made by way of announcement.

The announcement referred to in the preceding provision shall be published in one or more newspapers designated by the securities regulatory authority of the State Council within 20 days (excluding the date of the notice and the meeting) prior to the convening of the annual Shareholders' General Meeting or 15 days (excluding the date of the notice and the meeting) prior to the convening of the extraordinary Shareholders' General Meeting. Once the announcement is made, all holders of domestic unlisted shares shall be deemed to have received the notice of the relevant Shareholders' General Meeting.

The notice of the Shareholders' General Meeting sent to the shareholders of overseas listed shares shall be served 20 days (excluding the date of the notice and the meeting) prior to the convening of the annual Shareholders' General Meeting or 15 days (excluding the date of the notice and the meeting) prior to the convening of the extraordinary Shareholders' General Meeting by any of the following means:

- (1) to be sent to each shareholder of overseas listed shares in person or by mail to the registered address of each shareholder of overseas listed shares;
- (2) to be published on the website of the Company or the websites designated by the securities regulatory authority or stock exchange of the place where the shares of the Company are listed in accordance with the applicable laws, administrative regulations and relevant listing rules;
- (3) to be sent according to other requirements of the stock exchange of the place where the shares of the Company are listed and the Listing Rules.

**Article 59** An extraordinary Shareholders' General Meeting shall not decide on matters not stated in the notice.

**Article 60** The notice of a Shareholders' General Meeting shall include the following:

- (1) be made in writing;
- (2) the time, place and date of the meeting;
- (3) the matters and proposals submitted to the meeting for deliberation;
- (4) provide such information and explanation as are necessary for the shareholders to make sensible decisions on the proposals before them. This principle includes (but not limited to), where a proposal is made to amalgamate the Company with another, to repurchase shares, to reorganize the share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with the contracts, if any, and the cause and effect of such proposal must be serious explained;
- (5) contain a disclosure of the nature and extent, if any, of the material interests of any Director, Supervisor, general manager and other Senior Management in the proposed transaction;



- (6) contain the full text of any special resolution proposed to be passed at the meeting;
- (7) contain conspicuously a statement that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote on his behalf and that a proxy need not be a shareholder of the Company;
- (8) specify the time and place for lodging proxy forms for voting at the meeting;
- (9) contain the registration date of shareholders entitled to attend the Shareholders' General Meeting;
- (10) contain the name and telephone number of the permanent contact person of the meeting;
- (11) voting time and voting procedures by online or other means;
- (12) other matters stipulated by laws, administrative regulations and regulatory documents.

**Article 61**

A meeting and the resolutions adopted thereat shall not be invalidated due to the accidental omission to give notice of the meeting to, or the non-receipt of notice of the meeting by, a person entitled to receive the notice.

In the event that a Shareholders' General Meeting is held through a network or otherwise, the notice of Shareholders' General Meeting shall explicitly state the voting time and voting procedures on the network or otherwise. Voting at the Shareholders' General Meeting on the network or otherwise shall commence subject to the relevant requirements of the securities regulatory authorities and stock exchanges of the place where the Company's shares are listed.

**Article 62**

The board of directors of the Company and other convenors shall take necessary measures to ensure the normal order of a Shareholders' General Meeting. They shall take measures to prevent and promptly report to the relevant departments for any interference with the Shareholders' General Meeting, disturbance and violation of the legitimate rights and interests of shareholders.

### **Section 3 Convening, Voting and Resolutions of Shareholders' General Meetings**

**Article 63** Any shareholder entitled to attend and vote at a shareholders' general meeting shall be entitled to appoint one or more persons (whether a shareholder or not) as his/her proxy to attend and vote on his/her behalf. A proxy so appointed shall be entitled to exercise the following rights in accordance with the authorization from that shareholder:

- (1) have the same right as the shareholder to speak at the shareholders' general meeting;
- (2) have authority to demand or join in demanding a poll;
- (3) unless otherwise required by the laws and regulations of the PRC, the requirements of the securities regulatory authorities of the place where the shares of the Company are listed and the requirements of the Hong Kong Stock Exchange, exercise the right to vote by hand or on a poll, but when more than one proxy is appointed, the proxies may only vote on a poll.

**Article 64** The instrument appointing a proxy shall be in writing under the hand of the principal or his attorney duly authorized in writing, or if the principal is a legal person either under seal of the legal person or under the hand of a Director or attorney duly authorized.

**Article 65** The proxy form shall be placed at the domicile of the Company or at such other place as specified in the notice of meeting at least 24 hours prior to the meeting at which the proxy is authorized to vote or 24 hours prior to the specified time of the voting. If the proxy form is signed by a person authorized by the principal, the power of attorney or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents shall, together with the proxy form, be deposited at the Company's domicile or at such other place as specified in the notice of the meeting.

If the principal is a corporate, its legal representative or such person as is authorized by resolution of its Board or other governing bodies to act as its representative may attend at the shareholders' general meeting of the Company, and if such corporate shareholder has appointed a proxy to attend any meeting, such corporate shall be deemed to be present in person. A corporate shareholder may sign a voting proxy by a person duly authorized by him/her.

If a shareholder is a Recognized Clearing House (or its nominee), the shareholder may authorize one or more persons as it thinks fit to act as its representative(s) at any shareholders' general meeting or creditors' meeting; however, if more than one person is so authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is authorized, and the power of attorney shall be signed by the authorized personnel of the Recognized Clearing House. The person so authorized may attend the meeting on behalf of the Recognized Clearing House (or its nominee) to exercise the rights without being required to present share certificate, notarized authorization and/or further evidence to prove that he/she is duly authorized as if he/she was an individual shareholder of the Company.

**Article 66**

The proxy form shall specify that if a shareholder fails to give instruction, the proxy may vote in such a way as he/she thinks fit.

Save as provided above, the aforesaid proxy form shall also specify the number of shares to be represented by the proxy, the name of the proxy; whether or not the proxy has any voting right(s); whether or not the proxy has any voting right(s) in respect of interim proposals which may be included in the agenda of the shareholders' general meeting; and, if the proxy has such voting right(s), specific instructions as to the exercise of those voting rights, being separate instructions as to whether to vote for, vote against, or abstain from voting on, each item included on the agenda of the shareholders' general meeting as an item for consideration thereat; the date of issue and validity period. If several persons are appointed as the shareholder's proxies, the proxy form shall specify the number of shares to be represented by each proxy.

Where the shareholders' general meeting is attended by a proxy, he/she shall produce his/her own identity documents and the proxy form signed by (or under the seal of) the principal which indicates the date of issue, except for recognized clearing house (or its proxy). If the principal is a corporate shareholder, the proxy form shall be under the seal of the corporate.

Where the shareholders' general meeting is attended by an individual shareholder in person, he/she shall produce his or her own identity documents. Where a corporate shareholder appoints its legal representative to attend the meeting, the legal representative shall produce his/her own identity documents and a notarially certified copy of the resolution signed by the Board or other governing bodies of the corporate shareholder or other notarially certified documents allowed by the Company, except for recognized clearing house (or its proxy).

**Article 67** A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or loss of capacity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no notice in writing of such death, loss of capacity, revocation or transfer as aforesaid shall have been received by the Company before the commencement of the meeting at which the proxy is used.

**Article 68** Shareholders' general meetings shall be presided over by the chairman of the Board. In the event that the chairman of the Board is incapable of performing or fails to perform his/her duties, the meeting shall be presided over by a Director jointly elected by more than half of the Directors.

A shareholders' general meeting convened by the Supervisory Committee on its own shall be presided over by the chairman of the Supervisory Committee. In the event that the chairman of the Supervisory Committee is incapable of performing or fails to perform his/her duties, the meeting shall be presided over by a Supervisor jointly elected by more than half of the Supervisors.

The shareholders' general meeting convened by shareholder(s) shall be presided over by a representative elected by the convener.

Where the Supervisory Committee or shareholders convene a shareholders' general meeting on its or their own, all the necessary costs incurred shall be borne by the Company, and the Board and the secretary to the Board shall cooperate. The Board shall provide the register of shareholders as at the record date.

When a shareholders' general meeting is convened, if the chairman of the meeting violates the rules of procedure, making continuance of the shareholders' general meeting impossible, with the consent of shareholders holding more than one half of the voting rights present at the meeting, the shareholders' general meeting may elect a person to serve as the chairman of the meeting and the meeting shall continue.

**Article 69** Resolutions of the shareholders' general meeting shall be divided into ordinary resolutions and special resolutions.

To adopt an ordinary resolution, votes representing more than half of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favor of the resolution in order for it to be passed.

To adopt a special resolution, votes representing more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favor of the resolution in order for it to be passed.

A shareholder (including his/her proxy) attending the meeting shall vote for or against each resolution relating to every matter which has been put to vote at the relevant meeting. Any voting form which is uncompleted, wrongly completed, completed with illegible writing or not cast will be deemed as having waived voting rights, and the corresponding poll will be counted as "Abstain". When the Company calculates the voting results on this matter, abstention votes are included in the number of votes with voting rights and participation.

**Article 70** A shareholder (including his/her proxy) who votes at a shareholders' general meeting shall exercise his/her voting rights in proportion to the number of voting shares he/she represents. Each share carries the right to one vote. At the time of voting, shareholders (including proxies) who have two or more votes are not required to cast all votes for or against a resolution. However, the Company has no voting right for the shares it holds, and such shares shall be excluded from the total number of voting shares represented by the shareholders attending the shareholders' general meeting.

When the shareholders' general meeting considers connected transactions, the connected shareholders shall not participate in the voting provided that applicable laws, regulations or the listing rules of the stock exchange of the place where the shares of the Company are listed requires. The voting shares held by his/her shall not be counted into the total number of valid votes. The public announcement on the voting results of the shareholders' general meeting shall fully disclose the voting results of the non-connected shareholders.

According to applicable laws and regulations and the Hong Kong Listing Rules, where any shareholder is required to waive his/her voting rights or is restricted to cast only affirmative or negative vote on a certain resolution, any vote cast by the said shareholder or proxy thereof in violation of the relevant provisions or restrictions shall not be counted into the voting results.

**Article 71**

The shareholders' general meeting shall have minutes which are recorded by the secretary to the Board and include the following contents:

- (1) the date and time, venue and agenda of the meeting and the name of the convener;
- (2) the names of the chairman of the meeting, and the Directors, Supervisors, general managers and other Senior Management attending or present at the meeting;
- (3) the number of shareholders and proxies present at the meeting, total number of voting shares held by them, and the percentage of voting shares held by them to the total number of shares of the Company;
- (4) the discussion process, key points of speech and voting results for each proposal;
- (5) any enquiries or suggestions raised by shareholders and the corresponding reply or explanation;
- (6) the names of the vote counter and the scrutineer;
- (7) other contents which shall be recorded in the minutes as required under the Articles of Association.

**Article 72** The convener shall ensure that the minutes are true, accurate and complete. Directors, Supervisors, the secretary to the Board, the convener or his/her representative and the chairman of the meeting shall sign on the minutes. The minutes shall be kept together with the register for signing by attending shareholders and the proxy forms of their proxies and valid information on voting via the internet and other manners for a period of no less than 10 years.

**Article 73** The following shall be resolved by an ordinary resolution at a shareholders' general meeting:

- (1) work reports of the Board and the Supervisory Committee;
- (2) profit distribution plans and loss recovery plans formulated by the Board;
- (3) appointment and removal of the members of the Board and the Supervisory Committee (except for the employee representative Supervisors) and their remuneration and method of payment;
- (4) annual financial budget and final account proposals of the Company;
- (5) the annual report of the company;
- (6) resolution on the employment, dismissal or non-renewal of the Company's accounting firm and its remuneration;
- (7) other matters other than those required by the laws, administrative regulations, the listing rules of the place where the shares of the Company are listed, or the Articles of Association to be adopted by special resolutions.

**Article 74** The following shall be resolved by a special resolution at a shareholders' general meeting:

- (1) the increase or decrease of the Company's registered capital;
- (2) division, merger, splitting, dissolution, liquidation and change of corporate form of the Company;
- (3) amendments to the Articles of Association;
- (4) the Company's purchase or sale of material assets with a guaranteed amount exceeding 30% of the Company's total assets within one year;
- (5) equity incentive plans;
- (6) any other matters required by the laws, administrative regulations or the Articles of Association, and matters considered by the shareholders' general meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company and shall be adopted by a special resolution;
- (7) other matters required by the listing rules of the place where the shares of the Company are listed to be approved by a special resolution.

**Article 75** If the Company convenes a shareholders' general meeting, all Directors, Supervisors and the secretary to the Board of the Company shall attend the meeting, and the general manager and other Senior Management shall be present at the meeting. The Directors, Supervisors and Senior Management attending or present at the meeting shall answer or explain inquiries made by shareholders except that the business secrets of the Company are involved and cannot be disclosed at the shareholders' general meeting.

**Article 76** The chairman of the meeting shall decide, based on the voting results, whether or not a resolution of the shareholders' general meeting shall be passed. His/her decision shall be final and shall be announced at the meeting and recorded in the minutes of the meeting.

**Article 77** The nomination methods and procedures for the election of Directors and Supervisors (excluding employee representative Supervisors) at the shareholders' general meeting are as follows:



- (1) Shareholders who hold or jointly hold more than 3% of the Company's total outstanding shares with voting rights may propose candidates for Directors and non-employee representative Supervisors to the shareholders' general meeting by way of written proposal, provided that the number of candidates nominated shall comply with the provisions of the Articles of Association and shall not exceed the number of candidates to be elected. The aforesaid proposal made by shareholders to the Company shall be delivered to the Company at least ten days prior to the date of the shareholders' general meeting.
- (2) The Directors and Supervisors may, within the number specified in the Articles of Association and based on the number of candidates to be elected, propose a list of candidates for Directors and Supervisors, and submit the list to the Board and the Supervisory Committee for review. After the Board and the Supervisory Committee have reviewed and resolved to determine the candidates for Directors and Supervisors, they shall submit a written proposal to the shareholders' general meeting.
- (3) A written notice of the intention to nominate a candidate for election as a Director or a Supervisor who is not an employee representative, the acceptance of nomination by such candidate and the relevant written materials of the nominated candidate shall be given to the Company not less than ten days prior to the date of the shareholders' general meeting (such ten-day period shall commence no earlier than the second day after the issue of the notice of the meeting at which the election shall be conducted and end no later than ten days prior to the date of the shareholders' general meeting). The Board and the Supervisory Committee shall provide shareholders with the resumes and basic information of the candidates for Directors and Supervisors.
- (4) The period for nominating candidates for Directors and Supervisors to submit the aforesaid notice and documents (such period shall commence from the day following the date of the notice of the shareholders' general meeting) shall be no less than ten days.
- (5) The shareholders' general meeting shall vote on each candidate for Director or Supervisor one by one. In the event of a temporary vacancy of Director or Supervisor, the Board or the Supervisory Committee shall propose to elect or replace one at the shareholders' general meeting.

**Article 78** Shareholders attending the shareholders' general meeting shall cast their votes for or against the proposed resolutions or abstain from voting. This Article does not apply to securities registration and clearing houses which, as nominee holders of shares subject to the Mainland-Hong Kong Stock Connect, cast their votes in accordance with the intentions of the actual holders.

With respect to voting forms which are uncompleted, wrongly completed, completed with illegible writing or not cast, the shareholders who cast such votes shall be deemed to have abstained from voting and such votes shall be calculated as abstentions.

**Article 79** If the chairman of the meeting has any doubts concerning the result of the vote on any resolution, he/she may organize a recount of the number of votes cast. If the chairman of the meeting does not conduct a recount of the votes and an attending shareholder or proxy challenges the result of a vote announced by the chairman of the meeting, he/she has the right to demand a vote recount immediately following the announcement of the result, in which case the chairman of the meeting shall promptly organize a recount of the votes.

**Article 80** If a vote recount is conducted at a shareholders' general meeting, the result thereof shall be recorded in the minutes of the meeting.

The minutes of the meeting together with the sign-in register of attending shareholders and the proxy forms shall be kept at the Company's domicile.

## CHAPTER VII THE BOARD OF DIRECTORS

### Section 1 Directors

**Article 81** A director shall be a natural person. A person who falls into any of the following circumstances shall not serve as a director of the Company:

- (1) a person without or with limited capacity for civil conduct;
- (2) a person who has been sentenced to criminal punishment due to corruption, bribery, infringement of property, misappropriation of property or destruction of the socialist market economic order, where less than five years have elapsed since the date of completion of the sentence; or a person who has been deprived of his political rights due to a crime, where less than five years have elapsed since the date of completion of the sentence;
- (3) a person who was a director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years has elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise;
- (4) a person who was legal representatives of a company or enterprise which had its business license revoked due to violation of the law and had been closed down by order, and who was personally liable, where less than three years has elapsed since the date of the revocation of the business license of the company or enterprise;
- (5) a person who has a relatively large amount of debts due and outstanding;
- (6) a person who is currently being prohibited from participating in securities market by the China Securities Regulatory Commission and such barring period has not elapsed;
- (7) other circumstances specified by laws, administrative regulations or departmental rules.

For any election and appointment of a director in contravention of the provisions prescribed by this Article, such election, appointment or employment shall be void and null. Where a director falls into any of the aforesaid circumstances in his term of office, the director shall be removed from office.

**Article 82**

Directors shall be elected or replaced at shareholders' general meetings and shall each serve a term of three years, subject to re-election upon expiry of the said term.

Subject to the applicable laws and administrative regulations, the shareholders' general meeting shall have the power to remove any director by ordinary resolution before the expiration of his term of office without prejudice to any claim for damages by the director pursuant to any contract.

The term of office of a director shall commence from the date upon which the resolution is passed at the shareholders' general meeting at which the director is elected (unless otherwise provided in the resolution of such shareholders' general meeting) until the expiry of the term of office of the current session of the Board. Where the re-election of directors is not held in time after the term of office of the existing directors has expired, the original director shall, before the newly-elected director assumes his post, carry out duties as a director in accordance with the laws, administrative regulations, departmental rules and the Articles of Association.

**Article 83**

Directors shall comply with the laws, administrative regulations and the Articles of Association, and shall fulfill fiduciary obligations to the Company as follows:

- (1) not to abuse his position to accept bribes or other illegal income or misappropriate the properties of the Company;
- (2) not to misappropriate the funds of the Company;
- (3) not to set up accounts in his own name or in the name of any other person for the purpose of depositing any of the assets or funds of the Company;
- (4) not to lend funds of the Company to any other person or use the property of the Company to provide guarantee for any other person without the consent of the shareholders' general meeting or the Board in contravention of the provisions of the Articles of Association;

- (5) not to enter into contracts or transactions with the Company in contravention of the provisions of the Articles of Association or without the consent of the shareholders' general meeting;
- (6) not to, without the consent of the shareholders' general meeting, abuse his position to seize business opportunities for himself or for other persons which shall otherwise belong to the Company, or operate a business similar to that of the Company for himself or for other persons;
- (7) not to misappropriate commissions derived from transactions entered into by the Company;
- (8) not to disclose confidential information of the Company without permission;
- (9) not to abuse his connections with the Company to jeopardize the interests of the Company;
- (10) other fiduciary obligations as required by the laws, administrative regulations, departmental rules and the Articles of Association.

Any income derived by a director in violation of the provisions of this Article shall belong to the Company. The director shall be liable for indemnifying the Company against any loss incurred.

**Article 84**

Directors shall comply with the laws, administrative regulations and the Articles of Association and shall fulfill the following due diligence obligations:

- (1) to exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the state's laws, administrative regulations and economic policies, not going beyond the scope of business specified in the Company's business license;
- (2) to treat all shareholders impartially;
- (3) to keep informed of the business operations and management of the Company;

- (4) to sign the regular reports of the Company for written confirmation, and to ensure the information disclosed by the Company is true, accurate and complete;
- (5) to faithfully provide the Supervisory Committee with relevant information, and not to interfere with the Supervisory Committee or supervisors in performing their duties and powers;
- (6) to fulfill other due diligence obligations stipulated by laws, administrative regulations, departmental rules and the Articles of Association.

**Article 85** A director who cannot attend the meetings of the Board in person twice consecutively nor appoints any other directors to attend on his behalf is deemed as failure in performing his duties, and shall be subject to replacement as recommended by the Board at the general meeting.

**Article 86** A director may request to resign before expiry of his term of office. The director to resign shall submit to the Board a written report in relation to his resignation.

In the event that the resignation of any director results in the number of members of the Board falling below the quorum, the existing director shall continue to perform his duties in accordance with the laws, administrative regulations, departmental rules and the provisions of the Articles of Association until the re-elected director assumes office.

Other than the circumstances referred to in the preceding paragraph, the resignation of a director shall become effective upon submission of his resignation report to the Board.

Subject to relevant laws and regulations and regulatory rules of the place where the Company is listed, any person appointed by the Board as a director to fill a temporary vacancy or increase the number of directors shall serve only until the next annual general meeting of the Company and shall be eligible for re-election at that time.

**Article 87**

When a director's resignation takes effect or his term of office expires, the director shall complete all handover procedures with the Board, and his fiduciary duties to the Company and shareholders shall not be discharged after the termination of office, but shall remain valid within a reasonable period specified in the Articles of Association.

The duty of confidentiality of directors in relation to trade secrets of the Company survives the termination of their tenure until such trade secrets become public. The duration of other fiduciary duties shall be determined 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 is terminated.

**Article 88**

The Company shall have independent non-executive directors. Except as otherwise provided by this section, the provisions relating to the qualifications and obligations of directors in Chapter VII of the Articles of Association shall apply to independent non-executive directors. The number of independent non-executive directors shall account for at least one-third of the Board and shall be no less than three, of whom there shall be at least one independent non-executive director with appropriate accounting qualification or related financial management expertise. Independent non-executive directors shall faithfully perform their duties and safeguard the interests of the Company, with particular attention to ensuring that the legitimate rights and interests of public shareholders are not jeopardized, so as to ensure that the interests of all shareholders are adequately represented.

If an independent non-executive director fails to meet the conditions of independence or other circumstance arises which makes it inappropriate for him to perform his duties and responsibilities as an independent non-executive director, thereby causing the failure of the Company to meet the requirements of these Articles of Association concerning the number of independent non-executive directors, the Company shall immediately notify the Hong Kong Stock Exchange and explain the relevant details and reasons by way of announcement, and appoint a sufficient number of independent directors to satisfy the requirements of the Hong Kong Listing Rules within three months of non-compliance with the relevant requirements.

At least one of the independent non-executive directors of the Company is ordinarily resident in Hong Kong.

**Article 89** A Director whose term of office has not yet expired shall be liable for compensation for any loss caused to the Company due to his unauthorized resignation or his violation of laws, administrative regulations, departmental rules or the Articles of Association in performing his duties.

**Article 90** Without the legal authorization by the Articles of Association or the Board, no director shall act on behalf of the Company or the Board in his own name. Where a director acts in his own name, the director shall declare in advance his position and identity in the case that a third party would reasonably believe that the director is acting on behalf of the Company or the Board.

### **Section 2 The Board**

**Article 91** The Company has a Board of Directors, which is accountable to the shareholders' general meeting. The Board of Directors shall comprise twelve (12) directors. The Board shall have a chairman.

The chairman shall be elected and removed by more than half of all the directors for a term of three years and may be re-elected.

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

**Article 92** The Board is held accountable to shareholders' general meeting and exercises the following powers:

- (1) to convene shareholders' general meetings and report its work to the shareholders' general meetings;
- (2) to implement the resolutions of the shareholders' general meeting;
- (3) to decide on the Company's business plans and investment plans;
- (4) to formulate the Company's annual financial budget and final accounts;
- (5) to formulate the Company's profit distribution plan and loss recovery plan;
- (6) to formulate the proposals for increase or reduction of the Company's registered capital and the issuance and listing of bonds or other securities of the Company;



- (7) to formulate plans for material acquisitions, purchase of the Company's shares, merger, division, dissolution and change of corporate form of the Company;
- (8) to decide on the Company's external investment, acquisition and disposal of assets, pledge of assets, external guarantees, entrusted financial management, connected transactions, external donations and other matters within the scope authorized by the shareholders' general meeting;
- (9) to determine the establishment of the Company's internal management structure;
- (10) to decide on the appointment or dismissal of the Company's general manager, secretary to the Board; to appoint or dismiss the Company's deputy general manager, responsible financial officer and other senior management as nominated by the general manager, and to decide on their remuneration, rewards and punishments;
- (11) to formulate the Company's basic management system;
- (12) to formulate proposals for any amendment to the Articles of Association;
- (13) investment, acquisition or disposal of assets, financing, connected transactions and other matters required to be decided by the Board in accordance with the Hong Kong Listing Rules;
- (14) to manage the information disclosure under the laws, regulations, the Hong Kong Listing Rules and internal regulations of the Company;
- (15) to propose to the shareholders' general meeting the appointment or replacement of the accounting firm that provides audit service to the Company;

- (16) to listen to the work report of the general manager of the Company and inspect the work of the general manager;
- (17) to decide on other important issues of the Company, other than the motions to be considered at the shareholders' general meeting under the Company Law and the Articles of Association;
- (18) to exercise other functions and powers conferred by laws, administrative regulations, departmental rules, listing rules in the place where the Company's shares are listed (including but not limited to the responsibilities of the board in the Corporate Governance Code as set out in Appendix 14 to the Hong Kong Listing Rules) or the Articles of Association.

The Board shall approve the above resolutions by more than half of all directors.

The Board of the Company shall explain to the shareholders' general meeting the non-standard opinions on the financial report of the Company contained in the audit report issued by the certified accountant.

**Article 93** The Board shall formulate the rules of procedures of the Board to ensure implementation of the resolutions of the shareholders' general meetings, enhance work efficiency and ensure scientific decision-making.

**Article 94** The Board shall determine the authority of external investments, acquisition and disposal of assets, pledge of assets, external guarantees, entrusted financial management, connected transactions, external donations, etc.; and establish strict review and decision-making procedures. As to substantial investments, experts or professionals shall be engaged for evaluation and shall be reported to the shareholders' general meeting for approval.

**Article 95** The chairman of the Board exercises the following powers:

- (1) to preside over shareholders' general meetings and convene and preside over meetings of the Board;
- (2) to supervise and inspect the implementation of resolutions of the Board;
- (3) other powers stipulated by laws and regulations or the Articles of Association and authorized by the Board.

Where the chairman is unable to perform his/her duties, a director nominated by more than half of the directors shall perform his/her duties.

The Board may, if necessary, authorize the chairman of the Board to exercise part of the powers of the Board when it is in recess, the principles and specific contents of the authority shall be clearly stated.

**Article 96** Board meetings comprise regular meetings and extraordinary meetings. Board meetings shall be held at least four times a year and shall be convened by the chairman of the Board.

**Article 97** Under any of the following circumstances, the chairman of the Board shall convene an extraordinary meeting of the Board within ten days after receipt of the proposal:

- (1) proposed by shareholders representing more than one tenth of the voting rights;
- (2) jointly proposed by more than one-third of the directors;
- (3) proposed by the Supervisory Committee.

**Article 98** Notice shall be given to all directors and supervisors at least 14 days prior to a regular meeting of the Board, and at least 5 days prior to an extraordinary meeting of the Board. The responsible body of the Company shall serve a written notice of the meeting convened to all directors, supervisors and the general manager by hand, fax, express mail service or other means of electronic communication. Notices that are not served by hand shall be confirmed by telephone and record should be made accordingly.

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

**Article 99** A notice of regular and extraordinary meeting of the Board shall contain reasonable details of the agenda of such meetings, which shall at least include the following details:

- (1) date and venue of the meeting;
- (2) duration of the meeting;
- (3) purpose and matters to be discussed;
- (4) date of issue of the notice.

**Article 100** The notice of meeting shall be deemed to have been issued to a director if he is present at the meeting and does not raise out the issue of non-receipt of such notice prior to or at the time of his arrival at the meeting.

Regular or extraordinary meetings of the Board may be held by way of teleconference or through other communication devices, and so long as the participating directors can hear and communicate with each other, all participating directors are deemed to have had participated in the meeting in person.

**Article 101** The quorum of the meeting of the Board shall be more than half of the directors. When counting the quorum of the meeting, directors who have material interests in relevant contract, transaction or arrangement shall not be counted in the quorum.

Each director has one vote. Unless otherwise provided by law, administrative regulations and the Articles of Association, resolutions of the Board shall be passed by more than half of all directors, directors who have material interests in relevant contract, transaction or arrangement shall abstain from voting.

**Article 102** A director shall attend the meetings of the Board in person. If a director is not able to attend the meeting of the Board for any reason, he may appoint in writing other directors to attend the meeting on his behalf and specify the scope of authorization in the proxy.

The director attending the meeting on other's behalf shall only exercise the rights of director within the scope of authorization. If a director fails to attend a meeting of the Board and do not appoint a representative to attend on his behalf, such director shall be deemed to have waived his right to vote at such meeting.

**Article 103** When a director is connected to an enterprise related to a resolution of the meeting of the Board, such director shall not exercise his or her voting rights in respect of such resolution, nor shall he or she vote on behalf of other directors. The meeting of the Board may be held with the presence of more than half of the non-connected directors, resolutions at the meeting of the Board shall be passed by more than half of the non-connected directors. If the number of non-connected directors attend the meeting of Board is less than three, the matter shall be submitted to the shareholders' general meeting for consideration.

When the Board makes a resolution relating to a connected transaction of the Company, the resolution shall be signed by the independent non-executive directors before it becomes effective.

**Article 104** Any material matters to be decided by the Board of the Company must be handled in strict accordance with the specified procedure, and notice shall be given to all directors at the time required by the Articles of Association and sufficient information shall be given at the same time. The directors may request additional information. When more than one-fourth of the directors or two independent non-executive directors consider that the information and materials are not sufficient or they are unable to make a decision on the matters for other reasons, they may jointly propose to postpone the meeting of the Board or delay the discussion of certain matters to be resolved in the meeting of the Board, and the Board shall adopt the relevant proposal.

**Article 105** Unless otherwise required by the laws and regulations or the Listing Rules of Hong Kong, the Board may accept the written proposals in lieu of convening Board meetings, but the draft of such proposals shall be delivered to each director through direct delivery, post, fax or e-mail. If a written proposal has been circulated to all directors by the Board, and the number of directors signed and approved such proposal has reached the required quorum for making a decision, after the signed document for approving such proposal has been delivered to the secretary to the Board by one of the aforesaid means, such proposal will become a resolution of the Board, and deemed to have the same legal effect as a resolution passed at a meeting of the Board convened in accordance with the procedures set out in the relevant provisions of the Articles of Association.

**Article 106** The Board shall keep minutes of resolutions on matters discussed at the meeting, all attending directors and the recorder of the minutes shall sign the minutes of such meetings. The minutes of the meeting of the Board shall be kept as record of the Company for a period of no less than ten years.

Minutes of the Board meetings shall include the following contents:

- (1) the date and venue of the meeting and the name of the convener;
- (2) the names of the attending directors and the directors (proxies) attending the meeting on behalf of others;
- (3) the agenda of the meeting;
- (4) the highlights of directors' speeches;
- (5) the voting method and result of each resolution (the result shall specify the number of votes for, against and abstaining).

Directors shall be liable for the resolutions of the Board. If the resolutions of the Board violate the laws, administrative regulations or the Articles of Association, and the Company suffers a material loss as a result thereof, the directors participating in the resolutions are liable to the Company for the losses. However, if it can be proven that a director expressly objected to the resolution when it was voted on, and that such objection was recorded in the minutes of the meeting, such director may be released from such liability.

### **Section 3 Special Committees of the Board**

**Article 107** The Board has established the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee and Environmental, Social and Governance (ESG) Committee. The duties, personnel composition and rules of procedures of the special committees shall be resolved separately by the Board. Where necessary, the Board may establish other special committees. Special committees of the Board are specialized work bodies under the Board which provide advice or advisory opinions for the Board on material decisions. The special committees shall not make any decision in the name of the Board. However, the committees may exercise decision-making power in respect of the authorised matters in accordance with a special power given by the Board.

Each special committee is responsible to the Board. All members of the special committees shall be Directors. The Audit Committee shall comprise at least three members, who shall be non-executive Directors. The majority of its members shall be independent non-executive Directors with at least one independent non-executive Director holding proper qualification as required by the Hong Kong Listing Rules, or appropriate accounting or related financial management expertise. The chairman of the Audit Committee shall be an independent non-executive Director. The majority of the Remuneration and Appraisal Committee shall be independent non-executive Directors and the chairman of the Remuneration and Appraisal Committee shall be an independent non-executive Director. The chairman of the Nomination Committee shall be the chairman of the Board or an independent non-executive Director and the majority of the Nomination Committee shall be independent non-executive Directors. The Board may also set up additional special committees or adjust the existing committees if necessary. The Board shall separately formulate the working rules of the special committees of the Board in respect of the duties and rules of procedures for each special committee.

#### **CHAPTER VIII SECRETARY TO THE BOARD OF THE COMPANY**

**Article 108** The Company shall have a secretary to the Board. The secretary to the Board is a member of the Senior Management of the Company.

**Article 109** The secretary to the Board shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed or dismissed by the Board. His/her primary responsibilities are:

- (1) to responsible for the preparations for the general meetings and Board meetings;
- (2) to ensure that the Company has complete organizational documents and records;
- (3) to ensure that the Company prepares and submits the reports and documents required by the competent authorities in accordance with the laws;

- (4) to ensure that the register of shareholders of the Company is properly maintained and that persons entitled to the relevant records and documents of the Company are furnished with such records and documents without delay;
- (5) handling of information disclosure;
- (6) to perform other functions and powers conferred by the Board and required by laws, regulations and the stock exchange where the Company's shares are listed.

**Article 110** Directors or other Senior Management of the Company may concurrently serve as the secretary to the Board. The accountant of the accounting firm engaged by the Company and the management personnel of the Controlling Shareholders shall not act as the secretary to the Board.

When a Director serves concurrently as the secretary to the Board, such Director may not, in his/her or her dual capacity, take any action which is required to be taken separately by a Director and the secretary to the Board.

#### **CHAPTER IX GENERAL MANAGER AND OTHER SENIOR MANAGEMENT**

**Article 111** The Company shall have one general manager, several deputy general managers and other senior management, one secretary to the Board, who shall be appointed or dismissed by the Board.

The general manager, deputy general manager, responsible financial officer, secretary to the Board and other personnel determined by the Board are the Senior Management of the Company.

A person who holds an administrative position other than Director and supervisor in an entity where the Company holds controlling shares may not serve as the senior management of the Company.

The senior management of the Company only receive salaries from the Company and the controlling shareholder shall not pay salaries thereto on behalf of the Company.

**Article 112** The circumstances of disqualification for Directors prescribed in Article 81 of the Articles of Association shall be applicable to senior management.



**Article 113** Provisions regarding the duty of loyalty under Article 83 and diligence of Directors under items (4), (5) and (6) of Article 84 hereof shall be applicable to the senior management.

**Article 114** The term of office of the general manager shall be three years, and can be reappointed by the Board upon expiry.

The term of office of a general manager shall start from the date his appointment is resolved by the Board, and shall end upon the expiry of the current term of the Board.

**Article 115** The general manager shall be accountable to the Board and exercise the following functions and powers:

- (1) to be in charge of the production, operation and management of the Company, to organize the implementation of the resolutions of the Board and to report to the Board;
- (2) to organize the implementation of the Company's annual business plans and investment plans;
- (3) to formulate plans for the establishment of the Company's internal management structure;
- (4) to draft the Company's basic management system;
- (5) to formulate the specific rules and regulations of the Company;
- (6) to propose the appointment or dismissal of the deputy general manager, responsible financial officer and other senior management of the Company;
- (7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board;
- (8) to propose to convene an extraordinary meeting of the Board;
- (9) to decide on other matters of the Company within the scope of authorization of the Board;

(10) to decide on investment, acquisition or disposal, financing and other projects other than those that must be decided by the Board and the Shareholders' General Meeting;

(11) other powers conferred by the Articles of Association or the Board.

Senior management other than the general manager shall assist the general manager in his work and may exercise part of the functions and powers entrusted to the general manager.

**Article 116** The general manager shall formulate working rules of the general manager which shall be implemented after being approved by the Board.

**Article 117** The working rules of the general manager shall include:

(1) the conditions, procedure and participants of the general manager's meeting;

(2) specific responsibilities and work allocation of the general manager and other senior management;

(3) use of funds and assets of the Company, scope of authorization to enter into material contracts and reporting policies regarding the Board and the Supervisory Committee;

(4) other matters which the Board deems necessary.

**Article 118** The general manager shall attend the meetings of the Board and, if the general manager is not a Director, he shall not have voting right thereat.

**Article 119** The general manager may resign before expiry of his term of office.

**Article 120** If the senior management violates laws, administrative regulations, department rules or the Articles of Association when performing his duties in the Company, he/she shall indemnify the Company against losses incurred due to such violation.

**Article 121** Senior management of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all the shareholders. If the Company's senior management fail to faithfully perform their duties or violate their fiduciary duties, causing damage to the interests of the Company and public shareholders, they shall be liable for compensation in accordance with the law.

## **CHAPTER X SUPERVISORY COMMITTEE**

**Article 122** The Company shall establish the Supervisory Committee. The Supervisory Committee shall exercise its supervisory powers in accordance with the law, administrative regulations and the Articles of Association.

**Article 123** The Supervisory Committee consists of three Supervisors, one of whom shall be the chairman of the Supervisory Committee. The term of office of Supervisors shall be three years, renewable upon re-election.

The chairman of the board of supervisors shall be elected by more than half of all supervisors, and resolutions of the board of supervisors shall be approved by more than half of the supervisors.

Where a supervisor has not been timely re-elected at the expiry of the term of office or a supervisor has resigned during the term of office as a result of which the number of the members in the Supervisory Committee falls below the quorum, the original supervisor shall perform his/her duties as a supervisor, prior to the assumption by the re-elected supervisor, in accordance with the laws, administrative regulations and the Articles of Association.

**Article 124** The Supervisory Committee consists of shareholder representative supervisors and employee representative Supervisors, and the number of employee representative supervisors shall not be less than one-third of the members of the Supervisory Committee. Among them, shareholder representative supervisors shall be elected and removed by the Shareholders' General Meeting, and employee representative supervisors shall be elected democratically through the employee representatives' meeting, employee meeting or otherwise.

**Article 125** The circumstances of disqualification for Directors prescribed in Article 81 of the Articles of Association shall be applicable to Supervisors. Directors and senior management shall not act concurrently as Supervisors.

**Article 126** The supervisors shall comply with laws, administrative regulations and the Articles of Association and bear the responsibility of loyalty and diligence. They shall not take any bribe or other illegal gains by taking advantage of their authority and shall not take illegal possession of the company property.

**Article 127** The Supervisory Committee shall be accountable to the Shareholders' General Meeting and exercise the following powers:

- (1) to examine the Company's financial affairs;
- (2) to supervise the Directors and senior management in their performance of their duties and to propose the removal of Directors and senior management who have violated laws, administrative regulations, the Articles of Association or resolutions of Shareholders' General Meetings;
- (3) to demand rectification by a Director or senior management when the acts of such persons are harmful to the Company's interest;
- (4) to propose the convening of extraordinary general meetings and to convene and preside over Shareholders' General Meetings when the Board fails to perform the duty of convening and presiding over Shareholders' General Meetings under the Company Law;
- (5) to submit proposals to the Shareholders' General Meeting;
- (6) to propose to convene an extraordinary meeting of the Board;
- (7) to initiate proceedings against Directors and senior management in accordance with the Company Law;
- (8) to investigate any irregularities identified in the operation of the Company; if necessary, to engage professional institutions such as accounting firms and law firms to assist its work;
- (9) other functions and powers stipulated by laws, administrative regulations, the listing rules of the place where the Company's shares are listed or the Articles of Association.

Supervisors shall be present at meetings of the Board.

**Article 128** Meetings of the Supervisory Committee shall be held at least once every six months and convened by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee is unable or fails to perform his/her duties, a Supervisor nominated by more than half of the Supervisors shall convene and preside over the meetings of the Supervisory Committee.

Notice of at least 10 days in advance shall be given for a regular meeting of the Supervisory Committee and at least 5 days in advance shall be given for an extraordinary meeting of the Supervisory Committee to all Supervisors. The staff of the Supervisory Committee shall deliver the written notice of the meeting to all Supervisors by direct delivery, fax, express mail or other electronic means. If service is made indirectly, confirmation shall additionally be made by telephone and the appropriate record thereof shall be made.

Where an extraordinary meeting of the Supervisory Committee needs to be convened in emergency, the notice of meeting may be sent by telephone or other verbal means at any time, but the convener shall make explanations at the meeting.

Regular and extraordinary meeting of the Supervisory Committee shall contain reasonable details of the agenda of such meetings, which shall at least include the following details:

- (1) date and venue of the meeting;
- (2) duration of the meeting;
- (3) purpose and matters to be discussed;
- (4) date of issue of the notice.

**Article 129** The notice of meeting shall be deemed to have been issued to a supervisor if he is present at the meeting and does not raise out the issue of non-receipt of such notice prior to or at the time of his arrival at the meeting.

Regular or extraordinary meetings of the Supervisory Committee may be held by way of teleconference or through other communication devices, and so long as the participating supervisors can hear and communicate with each other, all participating supervisors are deemed to have had participated in the meeting in person.

**Article 130** The method for resolving matters by the Supervisory Committee: resolutions of the Supervisory Committee shall be made by way of voting with one vote for each supervisor by way of open and written ballot.

The voting procedure: a supervisor may vote for, against or abstain from voting. Each attending supervisor shall indicate his intention by casting his vote as one of the above, for those who fail to cast his vote with one of the option above or cast his vote with two or more options stated above, the chairman of the meeting shall request such supervisor to vote again, and those refuse to do so shall be regarded as having waived the voting rights at such meeting. Any supervisor who leaves the meeting and does not return and has not voted by choosing any of the above shall be regarded as having waived the voting rights at such meeting.

**Article 131** Unless otherwise required by the laws and regulations or the Hong Kong Listing Rules, the Supervisory Committee may accept the written proposals in lieu of convening a Supervisory Committee meeting, but the draft of such proposals shall be delivered to each supervisor through direct delivery, post, fax or e-mail. If a proposal has been circulated to all supervisors by the Supervisory Committee, and the number of supervisors signed and approved such proposal has reached the required quorum for making a decision, after the signed document for approving such proposal being delivered to has circulated the written proposal to the Supervisory Committee by the aforesaid means, such proposal will become a resolution of the Supervisory Committee, and deemed to have the same legal effect as a resolution passed at a meeting of the Supervisory Committee convened in accordance with the procedures set out in the relevant provisions of the Articles of Association.

**Article 132** The Supervisory Committee shall keep minutes of resolutions on matters discussed at the meeting, all attending supervisors shall sign the minutes of such meetings. A supervisor is entitled to request that an explanatory note be made with regard to his speech in the meeting. The minutes of the meeting of the Supervisory Committee shall be kept as company files for at least ten years.

**Article 133** All reasonable costs incurred for engaging lawyers, certified public accountants, practicing auditors and other professionals in the course the Supervisory Committee performing its duties shall be borne by the Company.

**Article 134** A supervisor shall carry out his supervisory duties honestly and faithfully in accordance with the law, administrative regulations and the Articles of Association.

## CHAPTER XI FINANCIAL AND ACCOUNTING SYSTEM

**Article 135** The Company shall establish its financial and accounting system in accordance with the law, administrative regulations and the requirements of the relevant department of the PRC.

**Article 136** The Company shall adopt the Gregorian calendar year for its accounting year, namely that the accounting year shall be from 1 January to 31 December.

At the end of each accounting year, the Company shall prepare a financial report which shall be audited and verified according to law.

The financial statements of the Company shall be prepared in accordance with accounting standards and regulations of the PRC, as well as in accordance with international accounting standards, or the accounting standards of the overseas listing place. If there are material differences between the financial statements prepared in accordance with the two accounting standards, it should be specified in the notes to the financial statement.

In distributing its after-tax profits of the relevant accounting year, the lower of the after-tax profits as shown respectively in the abovementioned two financial statements shall be adopted.

**Article 137** The Company's Board of Directors shall make available before the shareholders at every annual general meeting such financial reports prepared by the Company in accordance with the relevant laws, administrative regulations and regulatory documents promulgated by the local governments and the competent authorities.

**Article 138** The Company shall not maintain books of accounts other than those provided for by law. The Company's assets shall not be deposited in an account maintained in the name of any individual.

**Article 139** The Company's financial reports shall be made available for shareholders' inspection at the Company twenty (20) days prior to the date of the annual general meeting. Each shareholder of the Company has the right to receive a copy of such financial reports mentioned in this Chapter.

The financial report mentioned in the preceding paragraph shall comprise the directors' report, together with the balance sheet (including all other documents to be annexed as required by the PRC or other laws and administrative regulations) and the profit and loss statement (the profit statement) or the statement of income and expense (the statement of cash flow), or (subject to the relevant laws of the PRC) the summary financial report as approved by the Hong Kong Stock Exchange.

The Company shall deliver or send by prepaid mail the above-mentioned financial reports to each holder of overseas-listed foreign shares at the address recorded in the register of shareholders at least 21 days before the annual general meeting is convened. The Company can proceed by way of announcements, including announcement via the Company's website, on condition that such announcements are in compliance with the laws, administrative regulations, departmental rules and the relevant requirements of the securities regulatory authorities of the place where the Company's shares are listed.

**Article 140** In addition to the accounting standards and regulations of the PRC, the interim results or financial information announced or disclosed by the Company shall also be prepared in accordance with international accounting standards, or the accounting standards of the overseas listing place.

**Article 141** The Company shall publish twice every accounting year its financial reports prepared in accordance with international accounting standards or the accounting standards of the overseas listing place, i.e., to publish its interim financial report within 60 days after the end of the first six months of each accounting year, and to publish its annual financial report within 120 days after the end of each accounting year.

Where the laws and regulations of the PRC, the securities regulatory authorities in the place where the Company's shares are listed and the Hong Kong Stock Exchange have other provisions regarding the above announcements, such provisions shall prevail.



## CHAPTER XII PROFIT DISTRIBUTION

**Article 142** In distributing the profit after tax of the current year, the Company shall allocate 10% of its profit into its statutory reserve fund. When the aggregate amount of the statutory reserve fund of the Company is more than 50% of its registered capital, further appropriations are not required.

Where the statutory reserve fund of the Company is insufficient to make up for the losses of the previous year, the profits of the current year shall be used to make up for such losses before making allocation to its statutory reserve fund in accordance with the preceding paragraph.

After allocation of its profits after tax to its statutory reserve fund, the Company may, subject to the approval of the Shareholders' General Meeting, allocate its profits after tax to its discretionary reserve fund.

After making up for the losses and making allocations to the reserve fund, any remaining profits after tax shall be distributed to shareholders in proportion to their respective shareholdings.

If the Shareholders' General Meeting has, in violation of the provision of the preceding paragraph, distributed profits to shareholders before the Company has made up for its losses and made allocations to its statutory reserve fund, the shareholders shall return to the Company the profit distributed in violation of the provision.

The Company's shares held by the Company are not entitled to any profit distribution.

**Article 143** Capital reserve fund includes the following items:

- (1) Premium received when shares are issued at a premium to their par value;
- (2) Any other income required by the finance regulatory department of the State Council to be included in the capital reserve fund.

**Article 144** The reserve fund of the Company can be applied for making up for losses of the Company, expansion of the Company's production and operation or increasing the capital of the Company. However, the capital reserve fund cannot be applied for making up for losses of the Company.

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

**Article 145** The Company may distribute dividends in the form of (or a combination of both):

(1) Cash;

(2) Shares.

After the Shareholders' General Meeting of our Company make a resolution on profit distribution plan, the Board of Directors shall complete the distribution of dividends (or shares) within 2 months after the convening of the shareholders' general meeting.

**Article 146** Any amount paid up in advance of calls on any share may carry interest but shall not entitle the holder of the share to receive a dividend subsequently declared.

**Article 147** The Company shall appoint a receiving agent for holders of overseas-listed shares. The receiving agent shall receive on behalf of such shareholders any dividends or other amounts payable by the Company to them in respect to the overseas-listed shares, and such payment shall be kept by the receiving agent on such shareholders' behalf for any payment to them.

The receiving agent appointed by the Company shall satisfy requirements under the laws of the places where the Company's shares are listed or the rules of relevant stock exchange.

The receiving agent appointed by the Company for holders of overseas-listed shares listed at the Hong Kong Stock Exchange shall be a trust company registered under the Trustee Ordinance of Hong Kong.

Subject to the relevant laws and regulations of the PRC, the Company may exercise its right to claim over unclaimed dividends, provided that such right shall not be exercised until after the expiration of the applicable limitations period.

The Company has the power to cease sending dividend warrants by post to a holder of overseas-listed shares if such warrants have been left uncashed. The Company shall only exercise such power until such warrants have been so left uncashed on two (2) consecutive occasions. However, such power may be exercised after the first occasion on which such a warrant is returned undelivered.

In relation to the exercise of right to issue warrants to bearer, no new warrant shall be issued to replace one that has been lost unless the Company is satisfied beyond a reasonable doubt that the original warrant has been destroyed. The Company has the right to sell, by means considered appropriate by the Board of Directors, the shares of a holder of the overseas-listed shares who is untraceable under the following circumstances:

- (1) During a period of 12 years at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed; and
- (2) Upon expiry of the 12 years, the Company gives notice of its intention to sell the shares by way of an announcement published in one or more newspapers in the place where the Company's shares are listed and notifies the securities regulatory authorities where the shares of the Company are listed.

**Article 148** The cash dividend and other amount paid by the Company to the holders of domestic shares shall be paid in Renminbi. The cash dividend and other amounts paid by the Company to the holders of overseas-listed shares shall be denominated and declared in Renminbi and paid in Hong Kong Dollars. The foreign currency required for the payment of cash dividends and other amount by the Company to the holders of overseas-listed shares shall be arranged in accordance with the provisions of the PRC in relation to foreign exchange administration.

**Article 149** Unless otherwise provided in relevant laws and administrative regulations, where cash dividends and other amounts are paid in Hong Kong Dollars, the average selling price of the relevant foreign exchange posted by the People's Bank of China for the Gregorian calendar week immediately preceding the date of declaration of the dividends or other payment shall be used as the exchange rate.

**Article 150** The Company shall implement an internal auditing system and appoint full time auditors to carry out internal auditing and supervision of the Company's financial incomes and expenses and economic activities.

**Article 151** The internal audit system and duties of the internal auditors of the Company shall be implemented after the approval by the Board of Directors. The chief auditor shall be accountable and report to the Board of Directors.

### **CHAPTER XIII APPOINTMENT OF ACCOUNTING FIRM**

**Article 152** The Company shall appoint an accounting firm which is qualified under the Securities Law to audit the Company's annual financial reports and verify other financial reports of the Company.

**Article 153** The accounting firm appointed by the Company shall hold their position from the conclusion of the annual general meeting at which the appointment is made until the conclusion of the next annual general meeting.

**Article 154** The audit fee for an accounting firm shall be determined by the Shareholders' General Meeting.

**Article 155** The engagement of an accounting firm by the Company shall be decided by the Shareholders' General Meeting, and the Board of Directors shall not engage an accounting firm before any resolution made by the Shareholders' General Meeting.

**Article 156** If the Company proposes to remove the accounting firm or not to renew the appointment thereof, it shall notify the accounting firm in advance, and the latter has the right to state its opinions at the Shareholders' General Meeting. If the accounting firm resigns, it shall make clear at the Shareholders' General Meeting whether there is any impropriety on the part of the Company.

## CHAPTER XIV NOTICE

**Article 157** Notices of the Company may be delivered through the following means:

- (1) By hand;
- (2) By fax, email or post;
- (3) By way of publishing information on websites designated by the Company and the Hong Kong Stock Exchange, subject to the laws, administrative regulations and the listing rules of stock exchange of the places where the Company's shares are listed;
- (4) By way of announcement;
- (5) By any other means as agreed by the Company or the recipient or as accepted by the recipient after the notice is received;
- (6) By any other means as approved by the relevant regulatory authorities in the places where the Company's shares are listed or as specified in the Articles of Association.

For notices issued by the Company to the holders of overseas-listed foreign shares by way of announcement, the Company shall on the same day submit its electronic version available for real-time publication to the Hong Kong Stock Exchange through the e-submission system of the Hong Kong Stock Exchange for release on the website of the Hong Kong Stock Exchange in accordance with the local listing rules, or publish an announcement in newspapers (including the publication of an advertisement in newspapers) in accordance with the local listing rules. The announcement shall at the same time also be published on the Company's website. In addition, unless otherwise required in the Articles of Association, the notice shall be delivered to each of the registered addresses as set forth in the register of holders of overseas-listed foreign shares by personal delivery or prepaid mail, so as to give the shareholders sufficient notice and time to exercise their rights or act in accordance with the terms of the notice.

The Company's holders of overseas-listed foreign shares can, in writing, select to receive corporate communication by electronic means or by mail that the Company shall send to shareholders, and they can also select to receive Chinese or English version only, or both. Shareholders can give written notice in advance to the Company within reasonable time to revise the method and language version of receiving foregoing information under appropriate procedures.

Shareholders or directors who wish to prove that certain notices, documents, information or written statements have been served on the Company shall provide evidence showing the same has been served to the correct address by ordinary means or by prepaid mail within the specified period of time.

Notwithstanding the aforesaid provision which specifies providing and/or dispatching written corporate communication to shareholders, as for the means by which the Company provides and/or dispatches its corporate communication to shareholders according to the Hong Kong Listing Rules, if the Company has obtained shareholders' prior written consent or deemed consent according to the relevant laws and regulations and the Hong Kong Listing Rules as amended from time to time, the Company may dispatch or provide corporate communication to its shareholders by electronic means or via its website. Corporate communication includes, but not limited to, circulars, annual reports, interim reports, quarterly reports, notices of general meetings, and other types of corporate communication as specified in the Hong Kong Listing Rules.

**Article 158** Unless otherwise specified in the Articles of Association, the various means of sending notices specified in the preceding paragraph shall apply to the notices of general meetings, board meetings and meetings of the Supervisory Committee convened by the Company.

**Article 159** For a notice of the Company delivered by hand, the notice shall be deemed to be received upon signing (or affixing the seal) by the recipient on the note of receipt and the receipt date shall be the date of serve. If the notice is delivered by post, it shall be deemed to have been received after 48 hours from the date the notice is delivered to the post office. If the notice is delivered by way of fax or email or by way of publishing information on websites, it shall be deemed to have been received on the date it is sent or published. If the notice is delivered by way of announcement, it shall be deemed to have been received on the date on which the announcement is first published. Such announcement shall be published on the newspapers that satisfy the relevant requirements.

**Article 160** In the event that the listing rules of the stock exchange in the place where the Company's shares are listed stipulate that the Company shall send, post, distribute, issue, announce or otherwise provide relevant documents of the Company in English and Chinese, and if the Company has made appropriate arrangement to confirm whether the shareholders intend to receive either the English or the Chinese version, the Company may (as per the preference stated by the shareholders) only send the English version or the Chinese version to the shareholders concerned to the extent permitted by applicable law and regulations and pursuant to the applicable laws and regulations.

## **CHAPTER XV MERGER AND DIVISION OF THE COMPANY**

**Article 161** The Company may undergo combination in the form of merger or consolidation.

Where the Company undergoes combination, all parties to the combination shall enter into a combination agreement, and prepare balance sheets and property checklists. The Company shall, within 10 days after making the decision of combination, notify the creditors, and shall make a public announcement on newspapers within 30 days. The creditors may require the Company to repay its debts within 30 days after receiving the notice, or provide corresponding repayment guarantees within 45 days after the announcement if the creditors have not received the notice.

Upon combination, any creditor's rights and indebtedness of the combined parties shall be assumed by the company which survives after the combination or the newly established company.

**Article 162** Where the Company undergoes division, the property of the Company shall be divided accordingly.

If undergoing division, the Company shall prepare a balance sheet and a property checklist. After making a resolution on division, the Company shall notify creditors within ten days, and publish an announcement on newspapers within 30 days.

For the debts of the Company prior to the said division, the Company that survives thereafter shall bear the joint and several liabilities, unless otherwise specified in the written agreement which is concluded before the said division by the Company with its creditors on the settlement of the Company's debts.

**Article 163** When the Company reduces its registered capital, it must prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within ten days and publish an announcement in newspapers within 30 days after the resolution approving the reduction has been made. The creditors shall have the right to require the Company to repay its debts within 30 days after receiving the notice, or provide corresponding repayment guarantees within 45 days after the announcement if the creditors have not received the notice.

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

**Article 164** The Company shall, in accordance with the law, handle the procedures for change registration with the company registration authority where a change in any registration items arises as a result of any merger or division. In the event of dissolution of the Company, the Company shall handle the procedures for registration of cancellation in accordance with the law. In the event of establishment of a new company, the Company shall handle the procedures for registration of establishment in accordance with the law.

Where the Company increases or reduces its registered capital, the Company shall handle the procedures for change registration with the company registration authority in accordance with the law.

## **CHAPTER XVI DISSOLUTION AND LIQUIDATION OF THE COMPANY**

**Article 165** The Company shall be dissolved and liquidated according to law in any of the following circumstances:

- (1) the term of business stipulated in the Articles of Association has expired or other events of dissolution specified in the Articles of Association have occurred;
- (2) the shareholders' general meeting resolves to dissolve the Company;
- (3) dissolution is necessary due to a merger or division of the Company;
- (4) the business license is revoked, or the business is ordered to close down or is revoked, in accordance with the law;



- (5) where the Company encounters serious difficulties in its operation and management and its continuance shall cause a significant loss to the interest of shareholders, and where this cannot be resolved through other means, shareholders who hold more than 10% of the total shareholders' voting rights of the Company may present a petition to the People's Court for the dissolution of the Company.

**Article 166** In the event of item (1) in Article 165, the Company may carry on its existence by amending its Articles of Association.

When making amendments to the Articles of Association in accordance with the provisions of the preceding paragraph, such amendments shall be passed by more than two thirds of the voting rights held by shareholders present at the shareholder's general meeting.

**Article 167** Where the Company is dissolved under the provisions of items (1), (2), (4), (5) in Article 165, a liquidation committee shall be established and the liquidation shall commence within 15 days after the occurrence of an event of dissolution. The liquidation committee shall be composed of directors or the persons determined by the shareholders' general meeting by way of ordinary resolution. If a liquidation committee is not established within the stipulated period to conduct liquidation, the creditors may apply to the People's Court to appoint relevant personnel to form a liquidation committee to conduct liquidation.

**Article 168** The liquidation committee shall exercise the following functions and powers during the liquidation period:

- (1) to sort out the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (2) to notify the creditors and make announcements;
- (3) to deal with and settle the outstanding business of the Company;
- (4) to pay all outstanding taxes and taxes arising in the course of liquidation;
- (5) to settle claims and debts;

(6) to deal with the surplus assets of the Company after its debts have been paid off;

(7) to participate in civil lawsuits on behalf of the Company.

**Article 169** The liquidation committee shall notify creditors within ten days after its establishment and shall make announcements in newspapers within 60 days. A creditor shall lodge his/her claim with the liquidation committee within 30 days after receiving the notice or within 45 days after the date of announcement if he/she did not receive the notice.

When declaring their claims, the creditors shall explain the matters related to their claims and provide supporting materials. The liquidation committee shall register the creditor's rights.

During the period of declaration of claims, the liquidation committee shall not settle any debts to creditors.

**Article 170** Upon liquidation of the Company's properties and the preparation of the balance sheet and inventory of assets, the liquidation committee shall draw up a liquidation plan and submit it to the shareholders' general meeting, the relevant competent authority or the People's Court for confirmation.

The remaining assets of the Company after payment of liquidation expenses, wages, social insurance expenses and statutory compensation of employees, outstanding taxes and the Company's debts shall be distributed to shareholders in proportion to their shareholdings.

During the liquidation period, the Company shall continue to exist but shall not carry out any business activities unrelated to the liquidation. The assets of the Company shall not be distributed to the shareholders before the settlements are made in accordance with the above provisions.

**Article 171** The liquidation committee, having thoroughly examined the Company's assets and having prepared a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to pay its debts in full, it shall apply to the People's Court for a declaration of insolvency in accordance with law.

After the People's Court has declared the Company bankrupt, the liquidation committee shall hand over the affairs of the liquidation to the People's Court.

**Article 172** Upon completion of the liquidation, the liquidation committee shall prepare a liquidation report to be submitted to the shareholders' general meeting or the People's Court for confirmation, and then submit it to the company registration authority applying for cancelation of the Company's registration and announce the termination of the Company.

**Article 173** Members of the liquidation committee are required to discharge their duties honestly and in compliance with the relevant laws.

Members of the liquidation committee shall be prohibited from abusing their powers to accept bribes or other unlawful income and from misappropriating the Company's properties.

A member of the liquidation committee is liable to indemnify the Company and its creditors in respect of any loss arising from his/her willful or material default.

## **CHAPTER XVII AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

**Article 174** The Company may amend the Articles of Association in accordance with the laws, administrative regulations and the Articles of Association.

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

- (1) after the amendment to the Company Law or any other relevant law or administrative regulation, any provision of the Articles of Association is in conflict with the amended law or administrative regulation;
- (2) any change of the Company results in inconsistency with the relevant provisions of the Articles of Association;
- (3) the shareholders' general meeting decides to amend the Articles of Association.

**Article 175** The following procedures shall be followed in the event of amending the Articles of Association:

- (1) a resolution in respect of amending the Articles of Association shall be passed at the meetings of the Board in the first place and then the proposed amendments to the Articles of Association shall be drawn up.

- (2) the proposed amendments to the Articles of Association shall be put to a vote at the shareholder's general meeting convened by the Board;
- (3) the proposed amendments to the Articles of Association shall be passed at the shareholder's general meeting by way of special resolution;
- (4) the amended Articles of Association shall be submitted by the Company to the company registration authority for filing purpose.

**Article 176** The amendments to the Articles of Association, if there is any change relating to the registered particulars of the Company, application shall be made for registration of the changes in accordance with law. The Board shall amend the Articles of Association in accordance with the resolution of the shareholder's general meeting in respect of amending the Articles of Association and the approval of the relevant competent authorities. Amendments to the Articles of Association are information required to be disclosed by laws and regulations and shall be announced in accordance with the provisions.

#### **CHAPTER XVIII SUPPLEMENTARY PROVISIONS**

**Article 177** In the Articles of Association, the term "accounting firm(s)" has/have the same meaning as the term "auditor(s)".

In the Articles of Association, a "de facto controller" refers to a person who, though not a shareholder of the Company, but through investment relationships, agreements, or other arrangements, may actually control the activities of the Company.

In the Articles of Association, the terms "more than", "within" and "below" shall all include the given figure; the terms "over", "beyond", "higher" and "other than" shall all exclude the given figure.

In the Articles of Association, a "connected transaction" has the meaning ascribed to it by the Hong Kong Listing Rules.

In the Articles of Association, a "general manager", a "deputy general manager", the "responsible financial officer" refers to the Company's president, vice president and chief financial officer, respectively. In the Company's internal management system, the meanings of president and vice president are the same with that of general manager and deputy general manager and the chief financial officer and responsible financial officer shall have the same meaning in the Articles of Association.

In the Articles of Association, the term “RMB” refers to renminbi Yuan, the lawful currency of the People’s Public of China.

In the Articles of Association, the term “laws and regulations of the PRC” refers to all the laws, regulations, rules and orders, including decrees, statutory laws or other legislative measures and regulations, rules, treaties, directives and government decrees, issued by the legislative, judicial and governmental agencies of the People’s Republic of China.

**Article 178** The Articles of Association are written in Chinese. In case of any discrepancy between the Articles of Association in any other language and the Articles of Association, the Chinese version shall prevail.

**Article 179** In the event of any conflict between the Articles of Association and any prior agreement between the shareholders of the Company, the Articles of Association shall prevail. In the event that the Articles of Association are in conflict with the laws, administrative regulations, other relevant regulatory documents and the listing rules of the place where the shares of the Company are listed as issued from time to time, such laws, administrative regulations, other relevant regulatory documents and the listing rules of the place where the shares of the Company are listed shall prevail.

**Article 180** The Board of the Company shall be responsible for the interpretation of the Articles of Association.

**Article 181** Annexes to the Articles of Association include the Rules of Procedure for Shareholders’ General Meeting, the Rules of Procedure of the Board of Directors and the Rules of Procedure of the Board of Supervisors.

**Article 182** The Articles of Association shall be proposed by the Board for the consideration and approval by the shareholder’s general meeting, and shall take effect and come into force from the date on which the Company’s overseas listed foreign shares are initially issued and listed and traded on the Hong Kong Stock Exchange. From the effective date of the Articles of Association, the existing articles of association of the Company shall lapse automatically.

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