# Zhejiang Galaxis Technology Group Co., Ltd.

# Articles of Association

**Contents**

## Chapter 1 General Provisions

**Article 1** To safeguard the legitimate rights and interests of Zhejiang Galaxis Technology Group Co., Ltd (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 (《中華人民共和國公司法》) (the "Company Law"), the Securities Law of the People's Republic of China (《中華人民共和國證券法》) (the "Securities Law"), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules") and other laws, regulations, departmental rules, regulatory documents and relevant regulations of the securities regulatory authorities at the place where the Company's shares are listed, and with reference to the Guidelines on the Articles of Association of Listed Companies (2023 Revision) (《上市公司章程指引(2023 修訂)》).

**Article 2** The Company is a company limited by shares established in accordance with the Company Law and other relevant regulations.

**Article 3** Established in accordance with the Company Law and other relevant regulations, the Company is a joint stock limited company integrally converted from a limited liability company named Zhejiang Galaxis Technology Group Co., Ltd. (the "Company"). The Company was registered with the Jiaxing Administration for Market Regulation (嘉興市市場監督管理局) and obtained its business license according to law with the unified social credit code of 91330402MA28APJJ7U. The Company completed the filing with the China Securities Regulatory Commission (the "CSRC") on January 29, 2026, for the issuance of 36,798,000 overseas listed shares in Hong Kong. The aforementioned overseas listed shares were listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") on March 24, 2026.

**Article 4** The registered name of the Company: 浙江凱樂士科技集團股份有限公司

English name: Zhejiang Galaxis Technology Group Co., Ltd.

**Article 5** The Company's address: No. 1118, Chicheng Road, Nanhu District, Jiaxing City, Zhejiang Province

Postal Code: 401420

**Article 6** The registered capital of the Company is RMB427.883729 million.

**Article 7** The Company is a joint stock limited company that has perpetual existence.

**Article 8** The chairman of the Board of Directors of the Company shall be the legal representative of the Company. If the chairman of the Board of Directors who serves as the legal representative resigns, he/she shall be deemed to have resigned as the legal representative at the same time. If the legal representative resigns, the Company shall appoint a new legal representative within 30 days from the date of the resignation of the legal representative. The total assets of the Company are divided into equal shares. The liability of each shareholder of the Company shall be limited to the shares subscribed by him/her, while the Company shall undertake its liabilities with all of its assets.

**Article 9** From the date of the Articles of Association becoming effective, the Articles of Association constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and each shareholder and among the shareholders inter se and are legally binding on the Company, its shareholders, directors, general managers and other senior management. Pursuant to the Articles of Association, a shareholder may take legal action against another shareholder, a shareholder may take legal action against the Company's directors, general managers and other senior management management, a shareholder may take legal action against the Company and the Company may take legal action against its shareholders, directors, general managers and other senior management management.

**Article 10** Other senior management referred to in the Articles of Association include the Company's vice presidents, the secretary to the Board of Directors, the person in charge of finance (i.e. the chief financial officer, the same below) and other personnel designated by the Company's board of directors.

## Chapter 2 Objectives and Scope of Business

**Article 11** The objectives of the Company: to become the leading global logistics robot and intelligent equipment supplier and technical service provider.

The business scope of the Company: development, manufacturing and installation of robots, automated three-dimensional warehousing equipment, electronic components and industrial automation control systems; technology development, technology consulting, technology services and technology transfer of information technology and network systems; development and sales of electronic computer ancillary equipment and opto-electronic products; development and manufacturing of laser equipment and low-voltage switchgear and control equipment; development and sales of software; development of opto-electronic technology, laser technology and IoT technology; engineering design and installation of building intelligent system and electromechanical equipment; sales of computers and accessories; import and export business.

The business scope of the Company shall be subject to the business scope approved by the company registration authority.

## Chapter 3 Shares

### Section 1 Issuance of Shares

**Article 12** The shares of the Company shall take the form of share certificates. Share certificates of the Company shall be in registered form. At the same time, the Company shall keep a register of shareholders, which shall contain the following particulars:

(I) the name or address (domicile) of each shareholder;

(II) the number of shares held by each shareholder;

(III) the date on which each shareholder acquired the shares;

(IV) other matters that must be specified as required by the stock exchange on which the Company's shares are listed.

The overseas listed shares issued by the Company may take the form of overseas depository receipts or other derivative forms of shares in accordance with the laws and the norms of securities registration and depository of the place where the Company's shares are listed. Where the share capital of the Company includes shares that do not carry voting rights, the designation of such shares must include the words "no voting rights".

**Article 13** The shares of the Company shall be issued on the principles of transparency, fairness and equality, and each share of the same class shall be entitled to the same rights.

Shares of the same class issued at the same time shall have the same issuance conditions and price per share; and all subscribers shall pay the same price per share for shares they subscribe for.

**Article 14** Shareholders of domestic unlisted shares of the Company may apply for the conversion of the domestic unlisted shares held by them into overseas listed shares and have such shares listed and traded on the Hong Kong Stock Exchange, provided that they shall entrust the Company to go through the relevant filing procedures with the CSRC, subject to the relevant regulations of the CSRC. The listing and trading of such shares on the Hong Kong Stock Exchange shall also comply with other applicable regulatory procedures, regulations and requirements of domestic and foreign securities markets. Where shareholders apply for the conversion of the domestic unlisted shares held by them into overseas listed shares and have such shares listed and traded on the Hong Kong Stock Exchange, it is not required to hold a shareholders' meeting to vote under such circumstance.

The overseas listed shares referred to in the preceding paragraph refer to the overseas listed shares issued by the Company to overseas investors for subscription in foreign currency and listing overseas (the "H shares" or "overseas listed shares"); the domestic unlisted shares referred to in the preceding paragraph refer to the shares that have been issued by the Company but have not been listed or traded on any domestic and foreign trading venue.

Among the shares issued by the Company, domestic unlisted shares shall be centrally registered and deposited with China Securities Depository and Clearing Corporation Limited, and the registration and settlement arrangements for overseas listed shares shall be subject to the regulatory rules of the place where the shares of the Company are listed.

**Article 15** The promoters of the Company are GU Chunguang, HUANG Hong, MA Lan, Jiaxing Jiumai Investment Co., Ltd.(嘉興九麥投資有限公司), Jiaxing Gaile Investment Co., Ltd.(嘉興蓋勒投資有限公司), Jiaxing Huige Investment Partnership Enterprise (Limited Partnership)(嘉興匯戈投資合夥企業(有限合夥)), Jiaxing Rongming Investment Partnership Enterprise (L.P.)(嘉興融銘投資合夥企業(有限合夥)), Jointown Pharmaceutical Group Co., Ltd.(九州通醫藥集團股份有限公司), Foshan Delta Venture Capital Center (L.P.) (佛山達泰創業投資中心(有限合夥)), Xiamen Junshi Hantuo Venture Capital Partnership (Limited Partnership)(廈門鈞石翰拓創業投資合夥企業(有限合夥)), Suzhou Hengtong Delta Big Data Industry Fund Partnership (Limited Partnership)(蘇州亨通達泰大數據產業基金合夥企業(有限合夥)), Beijing Mali Enterprise Management Co., Ltd.(北京馬力企業管理有限公司), Suzhou Huidao M&A Investment Fund Partnership (Limited Partnership)(蘇州匯道併購投資基金合夥企業(有限合夥)), Jiaxing Gencheng Venture Capital Partnership Enterprise (Limited Partnership) (嘉興根誠創業投資合夥企業(有限合夥)), Chengdu Huagai Tiantou Venture Investment Center (L.P.) (成都華蓋天投創業投資中心(有限合夥)), Ningbo Qingkong Huiqing Zhide Equity Investment Center (Limited Partnership) (寧波清控匯清智德股權投資中心(有限合夥)), Jiaxing Zhehua Summitview Investment Partnership (L.P.) (嘉興浙華武岳峰投資合夥企業(有限合夥)), Qilu (Xiamen) Equity Investment Partnership (Limited Partnership) (啟鷺(廈門)股權投資合夥企業(有限合夥)), Xiamen Delta Xinshi Venture Capital Partnership (L.P.) (廈門達泰芯石創業投資合夥企業(有限合夥)), Suzhou Industrial Park Oriza PE No. 2 Equity Investment Fund Partnership (L.P.) (蘇州工業園區元禾重元貳號股權投資基金合夥企業(有限合夥)), S.F. Technology Co., Ltd. (順豐科技有限公司), Suzhou Fangguang II Venture Capital Partnership (L.P.) (蘇州方廣二期創業投資合夥企業(有限合夥)), Wanlin International Holding Co., Ltd. (萬林國際控股有限公司), Kunshan Xucun Investment Center (Limited Partnership) (昆山旭村投資中心(有限合夥)), CICC Gongying Qijiang (Shanghai) Kechuang Equity Investment Fund Partnership (L.P.) (中金共贏啟江(上海)科創股權投資基金合夥企業(有限合夥)), Wuxi Sumin Huixin Venture Capital Partnership Enterprise (Limited Partnership) (無錫蘇民匯鑫創業投資合夥企業(有限合夥)), Jiangsu Jiequan Huajie Xinnuo Investment Enterprise (Limited Partnership) (江蘇疌泉華傑信諾投資企業(有限合夥)), Fuzhou Economic and Technological Development Zone Xingrui Yongying Equity Investment Partnership (L.P.) (福州經濟技術開發區興睿永瀛股權投資合夥企業(有限合夥)), China Merchants Advanced Technology Development (Shenzhen) Co., Ltd. (招商局先進技術開發(深圳)有限公司), Guangzhou Dashen Investment Partnership Enterprise (Limited Partnership) (廣州大參投資合夥企業(有限合夥)) and Suzhou Gu Yu Ding Ruo Equity Investment Management Partnership Enterprise (Limited Partnership) (蘇州古玉鼎若股權投資管理合夥企業(有限合夥)). When the Company was established, the promoters converted the audited net assets of Zhejiang Galaxis Technology Group Co., Ltd. as of November 30, 2020 of RMB883,309,900.99 into 360.00 million shares of the joint stock limited liability company's share capital at a ratio of 1: 0.4076, with a par value of RMB1 per share. The registered capital (total share capital) of the joint stock limited liability company of RMB360.00 million, and the excess portion of the registered capital of RMB523,309,900.99 after the conversion of net assets, are all included in the capital reserve of the joint stock limited liability company. Each promoter shall subscribe for the shares of the joint stock limited liability company with net assets corresponding to the proportion of their capital contribution in Zhejiang Galaxis Technology Group Co., Ltd., and the capital contribution shall remain unchanged.

**Article 16** Upon the conversion, the number of shares subscribed by, shareholding percentage of, method and date of capital contribution made by, each promoter of the Company are as follows:

| No. | Name of promoter | Number of shares subscribed (ten thousand shares) | Shareholding percentage (%) | METHOD OF CAPITAL CONTRIBUTION |
|---|---|---|---|---|
| 1. | S.F. Technology Co., Ltd. | 3,308.1120 | 9.1892 | Conversion of net assets into shares |
| 2. | Jiaxing Rongming Investment Partnership Enterprise (L.P.) | 3,308.1120 | 9.1892 | Conversion of net assets into shares |
| 3. | China Merchants Advanced Technology Development (Shenzhen) Co., Ltd. | 2,532.8160 | 7.0356 | Conversion of net assets into shares |
| 4. | Jiaxing Gaile Investment Co., Ltd. | 2,493.5040 | 6.9264 | Conversion of net assets into shares |
| 5. | CICC Gongying Qijiang (Shanghai) Kechuang Equity Investment Fund Partnership (L.P.) | 2,432.4480 | 6.7568 | Conversion of net assets into shares |
| 6. | GU Chunguang | 2,269.6560 | 6.3046 | Conversion of net assets into shares |
| 7. | Jiaxing Zhehua Summitview Investment Partnership (L.P.) | 2,266.0200 | 6.2945 | Conversion of net assets into shares |
| 8. | Suzhou Huidao M&A Investment Fund Partnership (Limited Partnership) | 2,205.3960 | 6.1261 | Conversion of net assets into shares |
| 9. | Jiaxing Huige Investment Partnership Enterprise (Limited Partnership) | 2,205.3960 | 6.1261 | Conversion of net assets into shares |
| 10. | Suzhou Industrial Park Oriza Chongyuan No. 2 Equity Investment Fund Partnership (L.P.) | 1,755.2520 | 4.8757 | Conversion of net assets into shares |
| 11. | Jointown Pharmaceutical Group Co., Ltd. | 1,562.2560 | 4.3396 | Conversion of net assets into shares |
| 12. | Qilu (Xiamen) Equity Investment Partnership (Limited Partnership) | 1,536.2640 | 4.2674 | Conversion of net assets into shares |
| 13. | Jiaxing Jiumai Investment Co., Ltd. | 1,333.1880 | 3.7033 | Conversion of net assets into shares |
| 14. | Chengdu Huagai Tiantou Venture Investment Center (L.P.) | 1,021.2480 | 2.8368 | Conversion of net assets into shares |
| 15. | Fuzhou Economic and Technological Development Zone Xingrui Yongying Equity Investment Partnership | 810.8280 | 2.2523 | Conversion of net assets into shares |
| 16. | Beijing Mali Enterprise Management Co., Ltd. | 773.5320 | 2.1487 | Conversion of net assets into shares |
| 17. | Guangzhou Dashen Investment Partnership Enterprise (Limited Partnership) | 725.8680 | 2.0163 | Conversion of net assets into shares |

| No. | Name of promoter | Number of shares subscribed (ten thousand shares) | Shareholding percentage (%) | METHOD OF CAPITAL CONTRIBUTION |
|---|---|---|---|---|
| 18. | Jiangsu Jiequan Huajie Xinnuo Investment Enterprise (Limited Partnership) | 486.5040 | 1.3514 | Conversion of net assets into shares |
| 19. | Suzhou Fangguang II Venture Capital Partnership (L.P.) | 441.0720 | 1.2252 | Conversion of net assets into shares |
| 20. | Kunshan Xucun Investment Center (Limited Partnership) | 441.0720 | 1.2252 | Conversion of net assets into shares |
| 21. | Wuxi Sumin Huixin Venture Capital Partnership Enterprise (Limited Partnership) | 324.3240 | 0.9009 | Conversion of net assets into shares |
| 22. | Suzhou Gu Yu Ding Ruo Equity Investment Management Partnership Enterprise (Limited Partnership) | 308.8800 | 0.858 | Conversion of net assets into shares |
| 23. | Xiamen Delta Xinshi Venture Capital Partnership (L.P.) | 283.7880 | 0.7883 | Conversion of net assets into shares |
| 24. | HUANG Hong | 262.6920 | 0.7297 | Conversion of net assets into shares |
| 25. | Wanlin International Holding Co., Ltd. | 220.5360 | 0.6126 | Conversion of net assets into shares |
| 26. | Suzhou Hengtong Delta Big Data Industry Fund Partnership (Limited Partnership) | 208.9440 | 0.5804 | Conversion of net assets into shares |
| 27. | Ningbo Qingkong Huiqing Zhide Equity Investment Center (Limited Partnership) | 162.1800 | 0.4505 | Conversion of net assets into shares |
| 28. | Foshan Delta Venture Capital Center (L.P.) | 121.6080 | 0.3378 | Conversion of net assets into shares |
| 29. | Xiamen Junshi Hantuo Venture Capital Partnership (Limited Partnership) | 81.0720 | 0.2252 | Conversion of net assets into shares |
| 30. | Jiaxing Gencheng Venture Capital Partnership Enterprise (Limited Partnership) | 61.6320 | 0.1712 | Conversion of net assets into shares |
| 31. | MA Lan | 55.8000 | 0.155 | Conversion of net assets into shares |
| **Total** | | **36,000.0000** | **100.000** | **–** |

**Article 17** All shares issued by the Company are par value shares, with each share having a par value of RMB1.

Subject to the approval at the shareholders' meeting of the Company, the Company may convert all issued shares with par value into shares with no par value or convert all shares with no par value into shares with par value. In case of adopting shares with no par value, more than half of the proceeds from the issuance of shares shall be credited to the registered capital.

**Article 18** On March 24, 2026, the Company was listed on the Main Board of the Hong Kong Stock Exchange, with an initial public offering of 36,798,000 overseas listed foreign shares (H shares). After the completion of issuing the above overseas listed foreign shares (H shares), the total share capital of the Company comprises 427,883,729 ordinary shares, all of which are overseas listed shares.

**Article 19** The Company and its subsidiaries (including its affiliates) shall not provide any financial assistance to any person purchasing or intending to purchase any shares of the Company in the form of gift, advancement, guarantee, compensation, loan or otherwise.

The Company shall not provide gifts, loans, guarantees or other financial assistance to other persons for the acquisition of shares of the Company or its parent company, except for the implementation of the Company's employee share schemes.

For the benefit of the Company, upon a resolution of the shareholders' meeting, or a resolution of the Board in accordance with the Articles of Association or the authorization of the shareholders' meeting, the Company may provide financial assistance to other persons for the acquisition of shares of the Company or its parent company, provided that the cumulative total amount of the financial assistance shall not exceed 10% of the total issued share capital. Resolutions made by the Board shall be approved by more than two-thirds of all directors.

In the event of any violation against the provisions of the preceding two paragraphs which cause losses to the Company, the responsible directors and senior management shall be liable for compensation.

Any subsidiary controlled by the Company shall not acquire shares of the Company. If a subsidiary controlled by the Company holds shares of the Company due to a merger, exercise of a pledge, or other reasons, it shall not exercise the voting rights corresponding to the shares held and shall promptly dispose such shares of the Company.

## Section 2 Increase, Decrease and Repurchase of Shares

**Article 20** In accordance with laws and regulations, the Company may, based on its operating and development needs and the resolution of a shareholders' meeting, increase its capital in the following manners:

(I) public offering of shares;

(II) non-public offering of shares;

(III) placing or distributing bonus shares to existing shareholders;

(IV) converting capital reserve into share capital;

(V) other means stipulated by laws and administrative regulations, Hong Kong Listing Rules and other regulatory rules of the stock exchange where the Company's shares are listed or approved by the CSRC and other relevant competent departments.

The Company's increase of capital by issuing new shares shall, after being approved in accordance with the provisions of the Articles of Association, be conducted according to procedures stipulated by relevant national laws, administrative regulations, Hong Kong Listing Rules and regulatory rules of the stock exchange where the Company's shares are listed.

**Article 21** The Company may decrease its registered capital. Such decrease shall be made in accordance with the procedures stipulated in the Company Law, other relevant provisions and the Articles of Association.

**Article 22** The Company may not repurchase its shares unless any such repurchase is:

(I) to reduce the Company's registered capital;

(II) to merge with other companies holding shares of the Company;

(III) to grant shares for the employee stock ownership plan or as share inventive;

(IV) to acquire shares of a shareholder who requests the Company to acquire his/her shares due to his/her disagreement on the merger or division resolution passed by a shareholders' meeting;

(V) to utilize shares for the conversion of convertible corporate bonds issued by the Company;

(VI) necessary for the Company to maintain its corporate value and the equity of shareholders;

(VII) falling within other circumstances permitted by laws, administrative regulations, departmental rules, and regulatory rules of the stock exchange where the Company's shares are listed.

If the Company repurchases its shares, the Company shall perform the obligation of information disclosure in accordance with the Securities Law and the Hong Kong Listing Rules.

**Article 23** Any acquisition by the Company of its shares under any of the circumstances set forth in subparagraphs (I) and (II) of the first paragraph of Article 22 of the Articles of Association shall be subject to a resolution of a shareholders' meeting; any acquisition by the Company of its shares under the circumstances set forth in subparagraph (III), (V) and (VI) of the first paragraph of Article 22 of the Articles of Association shall, pursuant to the Articles of Association or the authorization of a shareholders' meeting, be subject to a resolution of a meeting of the Board of Directors at which more than two-thirds of the Directors are present.

The shares acquired by the Company shall be cancelled within 10 days from the date of acquisition under the circumstance set forth in subparagraph (I) of Article 22, shall be transferred or cancelled within six months under the circumstances set forth in subparagraph (II) or (IV), and shall be transferred or cancelled within three years under the circumstances set forth in subparagraph (III), (V) or (VI), in which case the number of shares held by the Company aggregately shall not exceed 10% of its total issued shares.

Where the relevant laws, regulations, normative documents, Hong Kong Listing Rules and regulatory rules of the stock exchange where the Company's shares are listed otherwise have provisions in respect of matters related to the aforesaid share repurchase, such provisions shall prevail.

## Section 3 Transfer of Shares

**Article 24** Shares of the Company may be transferred to other shareholders or to persons other than shareholders. Unless otherwise specified in laws, administrative regulations, departmental rules, and the regulatory rules of the stock exchange where the Company's shares are listed and the Hong Kong Stock Exchange, the fully paid shares of the Company, not be subject to any limitation of the transfer right, may be transferred freely and shall have no lien attached. The transfer of overseas shares listed in Hong Kong shall be registered with the securities registrar in Hong Kong appointed by the Company.

All H Shares shall be transferred by way of written transfer instrument in general or ordinary form, or any other format acceptable to the Board of Directors (including the standard transfer format or form of transfer as prescribed by the Hong Kong Stock Exchange from time to time). The instruments of transfer may only be signed by hand or (where the transferor or transferee is a corporation) by an effective seal. Where the transferor or transferee is a recognized clearing house as defined by the relevant provisions that come into effect from time to time according to the laws of Hong Kong or its agent, the transfer instrument may be signed by hand or in a machine-printed format. All transfer instruments shall be kept at the legal address of the Company or such places as the Board of Directors designates from time to time.

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

**Article 26** Shares issued by the Company prior to its public offering shall not be transferred within 1 year from the date on which the shares are listed and traded in the stock exchange.

The Directors and senior management of the Company shall declare to the Company the information on their holdings of the shares of the Company and its changes. During the term of office determined upon taking office, the shares of the same class any Director or senior management member transfers each year shall not exceed 25% of the total number of shares of the Company held by him/her. The shares that any Director or senior management member holds in the Company shall not be transferred within 1 year of the date on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer their shares of the Company within half a year from the date of their resignation.

Where the shares are pledged within the time limit for transfer prescribed by laws or administrative regulations, the pledgee may not exercise the pledge right within the time limit for transfer.

**Article 27** If a shareholder, Director, or senior management member who holds more than five percent of the shares of the Company either sells the Company's shares or other securities of equity nature held by him or her within six months after the purchase or repurchases such shares within six months after selling them, the proceeds therefrom shall be attributable to the Company, and the Board of Directors of the Company shall recover the proceeds thereof. However, if securities companies holding 5% or more of the shares as a result of taking up unsubscribed shares as underwriters and other circumstances provided by the CSRC are exempt from such requirement.

The shares or other securities of equity nature held by Directors, senior management members and natural person shareholders referred to in the preceding paragraph include the shares or other securities of equity nature held by their spouses, parents and children and held by them through accounts of any other persons.

If the Board of Directors fails to comply with the requirements under the first paragraph in this Article, the shareholders shall have the right to request the Board of Directors to do so within 30 days. If the Board of Directors fails to do so within the aforesaid period, the shareholders shall have the right to institute a legal proceeding directly with the People's Court in their own names for the benefit of the Company.

If the Board of Directors of the Company fails to comply with the requirements under the first paragraph in this Article, the responsible Directors shall assume joint and several liability pursuant to the laws.

Where the relevant laws, regulations, normative documents, Hong Kong Listing Rules and regulatory rules of the stock exchange where the Company's shares are listed otherwise have provisions in respect of matters related to the restriction on transfer of the aforesaid share, such provisions shall prevail.

## Chapter 4 Shareholders and Shareholders' Meetings

### Section 1 Shareholders

**Article 28** The Company shall establish a register of shareholders, and the register of shareholders is sufficient evidence to prove that the shareholders hold the shares of the Company. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

In the event of loss of any share certificate (the "Original Share Certificate") held by any shareholder recorded in the register of shareholders or any person who requests the Company to enter his/her name in the register of shareholders, such shareholder or person may request the Company to issue a new share certificate for the shares (the "Relevant Shares"). If he/she is a shareholder of unlisted shares, such application shall be dealt with in accordance with the relevant provisions of the Company Law. Where a holder of H shares loses his/her share certificate and applies for replacement, such application shall be dealt with in accordance with the laws, rules of stock exchange or other applicable regulations of the place where the original H share register is maintained.

**Article 29** Transfer of shares shall be recorded in the register of shareholders. The Company may keep outside the PRC its register of holders of overseas listed 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 H share register of the Company shall be kept in Hong Kong. The appointed agent outside the PRC shall ensure the consistency between the original and copies of the H share register. Where the original and copies of the H share register are inconsistent, the original shall prevail. The H share register must be available for inspection by shareholders. However, the Company may be allowed to suspend the registration of shareholders in accordance with the equivalent provisions to section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). The copies of the H share register shall be deposited at the domicile of the Company.

**Article 30** When the Company convenes a shareholders' meeting, distributes dividends, undergoes liquidation or engages in other acts that require the identification of shareholders, the Board of Directors or the convener of the shareholders' meeting shall determine the record date. Shareholders whose names appear on the register of shareholders on the record date shall be the shareholders entitled to the relevant rights and interests.

Where the Hong Kong Listing Rules specifies the period of closure of the register of shareholders of the Company before the shareholder's meeting of the Company or the base date on which the Company determines to distribute dividends, such provisions shall prevail.

**Article 31** Shareholders of the Company enjoy the following rights:

(I) to receive dividends and other forms of interest distributions in proportion to their shareholdings;

(II) to request, convene, preside over, attend in person or appoint a proxy to attend and address the meeting and vote on his/her behalf at a shareholders' meeting in accordance with laws (except where a shareholder is required by the Hong Kong Listing Rules to abstain from voting on specific matters);

(III) to supervise, provide recommendations on or make inquiries about the operations of the Company;

(IV) to transfer, donate or pledge their shares in accordance with laws, administrative regulations and the Articles of Association;

(V) to inspect the Articles of Association, counterfoil of corporate bonds, register of shareholders (including register of shareholders of H Shares), minutes of shareholders' meetings, resolutions of Board meetings, and financial and accounting reports;

(VI) to participate in the distribution of the remaining properties of the Company in proportion to their shareholdings in the event of the termination or liquidation of the Company;

(VII) to request the Company to acquire their shares for the shareholders who voted against any resolution adopted at the shareholders' meeting concerning the merger or division of the Company;

(VIII) to enjoy other rights stipulated by laws, administrative regulations, departmental rules, regulatory rules of the stock exchange where the Company's shares are listed, or the Articles of Association.

Where any shareholder is required to abstain from voting on any particular resolution or restricted to voting only for (or only against) any particular resolution, any votes cast by the shareholder (or his/her proxy) in contravention of such requirement or restriction shall not be counted.

**Article 32** A shareholder severally or jointly holding more than 3% of shares of the Company for over 180 consecutive days may request to inspect the Company's accounting books and vouchers by submitting a written request stating the purpose. If the Company has reasonable grounds to believe that the shareholder's request serves an improper purpose and may damage the Company's legitimate interests, it may refuse the inspection. The Company must respond to the shareholder in writing within 15 days from the date of receiving the written request, providing reasons for the refusal. If the inspection is denied, the shareholder may initiate legal proceedings in the People's Court.

A shareholder may appoint an accounting firm, law firm or other intermediary agencies to inspect the materials specified in the preceding paragraph. Shareholders and the accounting firms, law firms and other intermediary agencies they appointed shall comply with the requirements of laws and administrative regulations on the protection of state secrets, trade secrets, personal privacy and personal information, etc., when inspecting and reproducing relevant materials.

Where a shareholder requests to inspect or reproduce materials related to wholly-owned subsidiaries of the Company, the provisions of the preceding two paragraphs shall apply.

The shareholders of the Company shall comply with the requirements of the Securities Law and other laws and administrative regulations, when inspecting and reproducing relevant materials.

**Article 33** If a shareholder requests to access or obtain any information or document described in the preceding article, such shareholder shall submit written proof of the class and number of the shares held by him/her to the Company, and upon verification of him/her identity as a shareholder, the Company shall make available such information and documents as requested by such shareholder.

**Article 34** A shareholder shall have the right to petition the People's Court to invalidate any resolution of the shareholder's meeting or Board meetings of the Company that violates the relevant laws and administrative regulations.

In the event that the convening procedure or voting method of the shareholder's meeting or Board meetings violates any of the laws, administrative regulations or the Articles of Association, or any resolution violates the Articles of Association, any shareholder may petition the People's Court to revoke the relevant resolutions within 60 days following the adoption thereof, except where there are only minor defects in the convening procedure or voting method of the shareholder's meeting or Board meetings, which do not materially affect the resolutions.

**Article 35** If any Director or senior management member violates the relevant laws and administrative regulations or the provisions of the Articles of Association in performing his/her duties in the Company and causes any loss to the Company, they shall be liable for compensation. The shareholder(s) individually or collectively holding 1% or more of the shares of the Company for more than 180 consecutive days shall have the right to request in writing the Audit Committee to bring an action in the People's Court. If the Audit Committee violates the relevant laws and administrative regulations or the provisions of the Articles of Association in performing its duties in the Company and causes any loss to the Company, any shareholder may request in writing the Board of Directors to bring an action in the People's Court.

If the Audit Committee or the Board of Directors refuses to bring an action after receiving a written request from the relevant shareholder(s) as prescribed in the aforementioned paragraph, or fails to bring such action within thirty days upon receipt of such written request, or if the matter is of great urgency and the failure to bring such action immediately will cause irreparable damages to the Company, the shareholder(s) as stipulated in the preceding paragraph shall have the right to directly bring an action in the People's Court in their own name for the benefit of the Company.

If any other person infringes on the legitimate rights and interests of the Company and causes any loss to the Company, the shareholder(s) referred to in the first paragraph of this Article may bring an action in the People's Court pursuant to the provisions of the first two paragraphs of this Article.

If any Director, supervisor or senior management member of the Company's wholly-owned subsidiaries violates the relevant laws and administrative regulations or the provisions of the Articles of Association of the subsidiaries in performing his/her duties in the Company's wholly-owned subsidiaries and causes any loss to the Company's wholly-owned subsidiaries, or if any third parties infringe upon the legitimate rights and interests of a wholly-owned subsidiary of the Company and cause losses, the shareholders severally or jointly holding 1% or more of the Company's shares for more than 180 consecutive days, in accordance with the provisions of the first three paragraphs, are entitled to request the Board of Supervisors or Board of Directors of the wholly-owned subsidiary to initiate legal proceedings with the People's Court in writing or directly initiate legal proceedings with the People's Court in their own names.

**Article 36** Where a Director or senior management member contravenes any laws, administrative regulations or the Articles of Association in violation of shareholders' interests, a shareholder may bring an action in the People's Court.

**Article 37** Shareholders of the Company shall assume the following obligations:

(I) to abide by the laws, administrative regulations, departmental rules, regulatory rules of the stock exchange where the Company's shares are listed, and the Articles of Association;

(II) to pay capital contribution according to the number of shares subscribed for and the method of subscription;

(III) not to withdraw the shares unless required by the laws and administrative regulations;

(IV) not to abuse their shareholders' rights to jeopardize the interests of the Company or other shareholders, and 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 according to laws;

(V) not to abuse the status of the Company as an independent legal person or the limited liability of a shareholder to prejudice the interests of the creditors of the Company, and where shareholders of the Company abuse the Company's status as an independent legal entity and the limited liability of shareholders for the purposes of evading 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. Where a shareholder uses two or more companies under his or her control to commit the above acts, each company shall be jointly and severally liable for the debts of either company;

(VI) other obligations stimulated by laws, administrative regulations, regulatory rules of the stock exchange where the Company's shares are listed, and the Articles of Association.

**Article 38** Any shareholder holding 5% or more of the voting shares of the Company who pledges any shares held by him/her shall report to the Company in writing on the date of such pledge.

**Article 39** The controlling shareholders and de facto controller of the Company shall not use their affiliation to damage the interests of the Company. Anyone who violates the regulations and causes losses to the Company shall be liable for compensation.

The controlling shareholders and de facto controller of the Company shall owe duties of good faith to the Company and all shareholders of the Company. The controlling shareholders shall exercise their rights as capital contributors in strict compliance with the law. The controlling shareholders shall damage neither the legitimate rights and interests of the Company and other shareholders by means of profit distribution, asset reorganization, outbound investment, capital appropriation and loan guarantee nor the interests of the Company and other shareholders by their controlling status.

### Section 2 General Provisions for the Shareholders' Meetings

**Article 40** The shareholders' meeting is the power of authority of the Company, which shall exercise the following functions and powers in accordance with the law:

(I) to elect or replace Directors who are not employee representatives and to decide on matters relating to the remuneration of Directors;

(II) to consider and approve reports of the Board of Directors;

(III) to consider and approve the Company's profit distribution plans and loss recovery plans;

(IV) to decide on any increase or decrease of the Company's registered capital;

(V) to decide on the issue of bonds or other securities by the Company;

(VI) to decide on matters such as merger, division, dissolution and liquidation or change of corporate form of the Company;

(VII) to amend the Articles of Association;

(VIII) to decide on the appointment and dismissal of accounting firms by the Company;

(IX) to consider and approve the provision of transactions stipulated in Article 42;

(X) to consider and approve the provision of guarantees stipulated in Article 43;

(XI) to consider and approve the provision of related party transactions stipulated in Article 45;

(XII) to consider matters relating to the purchases and disposals of the Company's material assets within 1 year, which exceed 30% of the Company's latest audited total assets reflected consolidated financial statements;

(XIII) to consider the share incentive scheme and employee stock ownership scheme;

(XIV) to consider and approve matters relating to changes in the use of proceeds;

(XV) to decide on the repurchase of the Company's shares due to circumstances stipulated in Article 22 (I) and (II);

(XVI) to consider other matters as required by the laws, administrative regulations, departmental rules, regulatory rules of the stock exchange where the Company's shares are listed, or the Articles of Association, which shall be decided by the shareholders' meeting.

**Article 41** The shareholders' meeting of the Company may, in accordance with the principle of prudent authorization, delegate to the Board of Directors the exercise of some of the powers and functions to be exercised by the shareholders' meeting. Such delegation of powers shall be specific and concrete and shall be made in writing, and shall authorize or delegate the Board of Directors to transact the matters authorized or delegated by it, including but not limited to:

Subject to the applicable laws, regulations and listing rules, to grant a general mandate to the Board of Directors to issue, allot and deal with additional overseas listed shares not exceeding 20% of the overseas listed shares in issue (or other proportions as required by the applicable laws, administrative regulations and regulatory rules of the stock exchange where the Company's shares are listed);

The general mandate referred to in the second paragraph of this Article will remain in force until: (1) the conclusion of the first annual meeting following the passing of a resolution at the shareholders' meeting, at which time such general mandate will expire unless it is renewed by an ordinary resolution passed at that meeting, with or without conditions; or (2) the revocation or amendment of such mandate by an ordinary resolution of shareholders at the shareholder's meeting, whichever occurs earlier;

To authorize the Board of Directors, within the cap amount of bond issuance, to determine the specific terms and the relevant matters in relation to the issuance of the debt financing instrument(s) such as domestic short-term commercial paper, mid-term financial notes, corporate bonds, overseas USD bonds in accordance with the needs of production, operation and capital expenditure as well as the market conditions, including but not limited to the determination of the actual issuance amount, interest rate, term, target subscribers and use of proceeds of the bond(s), as well as the preparation for, execution and disclosure of all necessary documents thereof subject to the aforementioned limits.

**Article 42** When a transaction of the Company (excluding the provision of guarantees) meets any of the following criteria, the transaction shall be submitted to the shareholders' meeting for consideration:

(I) where total assets involved in the transaction (if the total assets involved in the transaction have both book value and appraised value, the higher one shall prevail) account for more than 50% of the Company's latest audited total assets;

(II) where transaction amount accounts for more than 50% of the Company's market value;

(III) where the net asset of the subject of the transaction (for instance, equity interest) for the latest accounting year accounts for more than 50% of the Company's market value;

(IV) where operating revenue related to the subject of the transaction (for instance, equity interest) for the latest accounting year accounts for more than 50% of the Company's audited operating revenue for the latest accounting year, with an amount exceeding RMB50 million;

(V) where profit derived from the transaction accounts for more than 50% of the Company's audited net profit for the latest accounting year, with an amount exceeding RMB5 million;

(VI) where net profit related to the subject of the transaction (for instance, equity interest) for the latest accounting year accounts for more than 50% of the Company's audited net profit for the latest accounting year, with an amount exceeding RMB5 million;

(VII) where the Company applies to a bank or any other financial institution for a line of credit, borrowing, opening of bank acceptance bills, opening of letters of credit, discounting of bills, and other financing operations, with the single amount accounting for 50% or more of the Company's latest audited net assets;

(VIII) other matters as required by the laws, administrative regulations, departmental rules, normative documents, regulatory rules of the stock exchange where the Company's shares are listed, or the Articles of Association, which shall be decided by the shareholders' meeting.

If a number involved in the above indicators is negative, its absolute value shall be taken for the purpose of calculation.

Transactions in which the Company unilaterally obtains benefits, including cash grants, debt relief, acceptance of guarantees and assistance, etc., may be exempted from going through the consideration procedures at the shareholder's meeting in accordance with the provisions of the first paragraph of this Article.

The term “transactions” mentioned in the Articles of Association includes but not limited to: (1) Purchasing or selling of assets; (2) External investment (including entrusted financing, investment in subsidiaries, etc.); (3) Providing financial assistance (including entrusted loans); (4) Providing guarantees (including guarantees for subsidiaries); (5) Leasing of assets as lessee or lessor; (6) Signing management contracts (including entrusted or trusted operations, etc.); (7) Giving or receiving assets as gift; (8) Restructuring of claims or debts; (9) Transfer of research and development projects; (10) Entering into license agreements; (11) waiver of rights (including waiver of pre-emptive right, pre-emptive subscription right and other rights); (12) Other transactions required by laws, regulations and normative documents, regulatory rules of the stock exchange where the Company’s shares are listed.

To the extent permitted by laws and regulations, the Company may invest in other enterprises and shall bear limited liability to the respective investee up to the amount of its capital contribution. However, it shall not become a capital contributor that shall bear joint and several liabilities for the debts of the enterprises invested, unless otherwise provided for by law.

**Article 43** The following external guarantees of the Company shall be submitted to the shareholder’s meeting for consideration after being considered and approved by the Board of Directors:

(I) a single guarantee with an amount exceeding 10% of the latest audited net assets;

(II) any guarantee provided after the total amount of external guarantees provided by the Company and its controlled subsidiaries exceeds 50% of the latest audited net assets of the Company;

(III) any guarantee provided to the guaranteed party whose gearing ratio exceeds 70%;

(IV) any guarantee with an amount exceeding 30% of the latest audited total assets of the Company in accordance with the principle of cumulative calculation for 12 consecutive months;

(V) any guarantee provided to shareholders, the actual controller and their related parties;

(VI) other guarantees as required by laws, regulations, normative documents, the regulatory rules of the stock exchange where the Company’s shares are listed and the Articles of Association.

The Board of Directors shall decide on other external guarantees other than those listed in the first paragraph of this Article which shall be subject to the approval of the shareholder’s meeting. The Board of Directors shall, in addition to the approval of more than half of all Directors, obtain the consent of more than two-thirds of the Directors attending the meeting of the Board of Directors when considering the external guarantees.

When the Company provides guarantees for its wholly-owned subsidiaries, or guarantees for its controlled subsidiaries with other shareholders of such subsidiaries providing guarantees in the same proportion of their interests, and the interest of the Company is not prejudiced, the Company may be exempted from the subparagraphs (I) to (III) of this Article, unless otherwise provided for in the Articles of Association.

When the shareholder's meeting considers the resolution of guarantees provided to shareholders, de facto controllers and their related parties, such shareholders or the shareholders controlled by de facto controllers shall not participate in such voting, and the vote shall be passed by more than half of the voting rights held by other shareholders attending the shareholder's meeting.

Without the approval of the Board of Directors or the shareholder's meeting, the Company shall not provide external guarantees.

In the event that the Company suffers losses as a result of an act of external guarantee in violation of the approval authority and deliberation procedures, the relevant Directors, senior management members and other responsible parties shall bear the compensation liability in accordance with the laws.

**Article 44** Where the Company provides guarantees for related parties, such guarantees shall be provided based on reasonable business logic. The Company shall submit the guarantee to the shareholders' meeting for consideration after the approval of the Board of Directors.

Where the Company provides guarantees for controlling shareholders, de facto controller and their related parties, the controlling shareholders, de factor controller and their related parties shall provide a counter-guarantee.

**Article 45** Any proposed related transactions of the Company meeting any of the following criteria shall be subject to consideration and approval by the general manager (chief executive officer): (i) the transaction is the issuance or repurchase of securities or the sale or transfer of treasury shares which complies with the Hong Kong Listing Rules; (ii) the transaction is a service contract between the Company or a subsidiary of the Company and its directors; (iii) the transaction is a dealing in consumer goods or services or sharing of administrative services that complies with the requirements of the Hong Kong Listing Rules; (iv) the maximum percentage ratio (other than the profit test) under the Hong Kong Listing Rules with regard to the transaction is: 1. less than 0.1%; 2. less than 1% but the transaction constitutes a related transaction solely due to the sole relationship or connection between the related parties involved in the transaction and the subsidiary of the Company; and 3. less than 5%, and the total transaction amount (in the case of financial assistance, the total amount of financial assistance together with any pecuniary benefit payable to the related parties or jointly held entities) is less than HK$300 million; (v) transactions with related parties at the subsidiary level of the Company (on normal commercial terms or better) in compliance with the Hong Kong Listing Rules, provided that: 1. the Board of Directors of the Company approves the transaction; 2. the independent non-executive directors of the Company confirm that the terms of the transaction are fair and reasonable, on normal commercial terms or better and in the interests of the Company and its shareholders as a whole; 3. transactions between the Company and the related parties who are connected with the Company solely due to the sole relationship or connection with a non-significant subsidiary of the Company; and 4. transactions with an associate of a passive investor (as defined under the Hong Kong Listing Rules) which comply with the requirements of the Hong Kong Listing Rules.

Any proposed related transactions of the Company meeting any of the following criteria shall be subject to consideration and approval by the general manager (chief executive officer) and then submitted to the Board of Directors of the Company for consideration and approval: the maximum percentage ratio under the Hong Kong Listing Rules: (i) less than 5%; (ii) less than 25%, and the total transaction amount is less than HK$1,000 million.

Any proposed related transactions of the Company that do not fall into the categories described in paragraphs 1 and 2 of this Article shall be considered and approved by the Board of Directors of the Company and then submitted to the shareholders' meeting of the Company for consideration and approval.

Where the Company or any subsidiary undertakes any of the following related transactions, the relevant transaction amounts shall be calculated according to the principle of 12 consecutive months aggregate calculation and the provisions of this Article shall then apply accordingly: (i) transactions with the same related person or persons related with each other; (ii) transactions involving the acquisition or disposal of a component of an asset or securities or equity interest of a company (or group of companies); and (iii) transactions collectively lead to significant involvement by the Company and its subsidiaries in a new business; and (iv) transactions in respect of which the decision-making procedures of the shareholders' meeting are completed according to the principle of the aggregate calculation cease to be included in the scope of aggregate calculation.

Where the regulatory rules of the place where shares of the Company are listed otherwise provided, such provisions shall prevail.

**Article 46** Shareholders' meetings are classified into annual meetings and extraordinary meetings. The annual meeting is convened once a year and shall be held within six (6) months after the end of the previous financial year.

A meeting venue shall be set up for the shareholders' meeting which shall be convened on site. The venue of the shareholders' meeting convened by the Company shall be the domicile of the Company or the place specified in the notice of the meeting.

The Company will also provide online voting, video, telephone or other means in accordance with the regulatory rules of the place where shares of the Company are listed to facilitate the shareholders attending the shareholders' meetings, where the shareholders' meetings may be convened virtually with the use of technology and shareholders can vote by electronic means. Shareholders who attend the shareholders' meeting in the aforesaid manner shall be deemed as present and have the right to speak and vote.

**Article 47** The Company shall convene an extraordinary meeting within 2 months from the date of the occurrence of any of the following circumstances:

(I) where the number of Directors falls short of the number required by the Company Law or less than two-thirds of the number prescribed in the Articles of Association;

(II) where the unrecovered losses of the Company reach one-third of the total paid-up share capital;

(III) where an extraordinary meeting is requested by a shareholder individually or shareholders collectively holding more than 10% of the issued shares with voting rights in the Company in writing (the percentage of shareholding is calculated based on the number of shares held at the close of business on the date the shareholder makes the written request, or the previous trading day if the day of the written request is a non-trading day);

(IV) the Board of Directors considers it necessary;

(V) the Audit Committee proposes to hold such a meeting;

(VI) other circumstances stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other regulatory rules of the stock exchange where the Company's shares are listed and the Articles of Association. If the extraordinary meeting is convened in accordance with the requirements of the regulatory rules of the stock exchange where the Company's shares are listed, the actual date of convening the extraordinary meeting is subject to adjustment according to the progress of approval by the stock exchange where the Company's shares are listed.

**Article 48** The shareholders' meeting may formulate the rules of procedure for the shareholders' meeting, clarify the discussion methods and voting procedures of the shareholders' meeting, to ensure the working efficiency and scientific decision-making of the shareholders' meeting. The rules of procedure for the shareholders' meeting provide for the holding and voting procedures of the shareholders' meetings. The rules of procedure for the shareholders' meeting shall be formulated by the Board of Directors and approved by the shareholders' meeting. If there is any conflict between the rules of procedure for the shareholders' meeting and the Articles of Association, the Articles of Association shall prevail.

**Article 49** When holding the shareholders' meeting, the Company shall engage lawyers to issue legal opinions on the following issues:

(I) whether the procedures for convening and holding the meeting comply with the relevant laws, administrative regulations and the Articles of Association;

(II) whether the qualifications of the attendees and the convener of the meeting are lawful and valid;

(III) whether the voting procedures and the voting results of the meeting are lawful and valid;

(IV) legal opinions on other relevant issues as requested by the Company.

### Section 3 Convening of Shareholders' Meeting

**Article 50** More than one-third of Directors shall have the right to propose the Board of Directors to convene an extraordinary meeting, and shall submit such proposal in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide written feedback on whether or not to convene the extraordinary meeting within 10 days after receiving the proposal.

Independent non-executive Directors shall have the right to propose to the Board of Directors to convene an extraordinary meeting, but the content of over half of all independent non-executive Directors shall be obtained. The Board of Directors shall issue written feedback on whether or not to convene the extraordinary meeting within 10 days from receipt of the proposal from the independent non-executive Directors according to the laws, administrative regulations and the Articles of Association.

Where the Board of Directors gives consent to convene an extraordinary meeting, it shall, within 5 days from the passing of the board resolution, issue a notice on convening the meeting. Where the Board of Directors does not give consent to convene an extraordinary meeting, it shall state the reason.

**Article 51** The Audit Committee shall have the right to propose the Board of Directors to convene an extraordinary meeting, and shall submit such proposal in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide written feedback on whether or not to convene the extraordinary meeting within 10 days after receiving the proposal.

Where the Board of Directors gives consent to convene an extraordinary meeting, it shall, within 5 days from the passing of the board resolution, and changes to the original proposal in the notice shall be subject to the consent of the Audit Committee.

Where the Board of Directors does not agree to convene the extraordinary meeting or fails to issue feedback within 10 days upon receipt of such proposal, the Board of Directors shall be deemed to be unable or fail to perform the duty of convening the shareholders' meeting, and the Audit Committee may convene and preside over the meeting on its own.

**Article 52** Shareholders who individually or collectively hold more than 10% of the shares of the Company shall have the right to request the Board of Directors to convene an extraordinary meeting, and shall submit such request in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, regulatory rules of the stock exchange where the Company's shares are listed, and the Articles of Association, provide written feedback on whether or not to convene the extraordinary meeting within 10 days after receiving the request.

Where the Board of Directors gives consent to convene an extraordinary meeting, it shall, within 5 days from the passing of the board resolution, and changes to the original request in the notice shall be subject to the consent of the relevant shareholders. Where the laws, administrative regulations, departmental rules, and regulatory rules of the place where shares of the Company are listed otherwise provided, such provisions shall prevail.

Where the Board of Directors does not agree to convene an extraordinary meeting, or fails to give feedback within 10 days after receiving the request, shareholders who individually or collectively hold more than 10% of the Company's shares shall have the right to propose to the Audit Committee to hold an extraordinary meeting, and shall make a written request to the Audit Committee.

Where the Audit Committee agrees to convene an extraordinary meeting, it shall issue a notice of convening the meeting within 5 days of receiving the request, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

Where the Audit Committee fails to issue a notice of holding a shareholders' meeting within the prescribed time limit, it shall be deemed that the Audit Committee fails to convene and preside over the shareholders' meeting, and the shareholder(s) individually or collectively holding 10% or more of the shares of the Company for 90 consecutive days or more may convene and preside over the meeting on its or their initiative.

Where the Board of Supervisors or shareholders decide to convene a shareholders' meeting on their own initiatives, they shall notify the Board of Directors in writing and file the records with the securities exchange at the same time. For the shareholders' meetings convened by the Audit Committee or shareholders on their own initiatives, the Board of Directors and the secretary to the Board of Directors shall cooperate with the Audit Committee or the shareholders. The Board of Directors shall provide the register of shareholders as at the shareholding registration date. The register of shareholders obtained by the convener may not be used for purposes other than holding the shareholders' meetings.

Before the announcement of the resolution of the shareholders' meeting, the proportion of shares held by the convening shareholders shall not be less than 10%.

**Article 53** If the Audit Committee or shareholders convene a shareholders' meeting by themselves, the necessary expenses shall be borne by the Company.

## Section 4 Proposals and Notices of Shareholders' Meeting

**Article 54** The contents of the proposals shall fall within the terms of reference of the shareholders' meeting, have clear subjects and specific matters to be resolved, and comply with the relevant provisions of laws, administrative regulations, regulatory rules of the stock exchange where the Company's shares are listed, and the Articles of Association.

**Article 55** When the Company convenes a shareholders' meeting, the Board of Directors, the Audit Committee and shareholders who individually or collectively hold more than 1% of the shares of the Company shall have the right to put forward proposals to the Company.

Shareholders who individually or aggregately hold more than 1% of the shares of the Company may submit a temporary proposal in writing to the convener 10 days prior to the convening of the shareholders' meeting. The convener shall issue a supplemental notice of the shareholders' meeting within 2 days after receiving the proposal and announce the contents of the temporary proposal and submit the temporary proposal to the shareholders' meeting for consideration, unless the temporary proposal violates the provisions of laws, administrative regulations or the Articles of Association, or does not fall within the scope of the shareholders' meeting. Where the shareholders' meeting is postponed in accordance with the requirements of the regulatory rules of the stock exchange where the Company's shares are listed due to the issuance of a supplemental notice of the shareholders' meeting, the convening of the shareholders' meeting shall be postponed in accordance with the provisions of the regulatory rules of the stock exchange where the Company's shares are listed.

Except as provided in the preceding paragraph, the convener shall not amend the proposals set out in the notice of the shareholders' meeting or add new proposals after issuing the notice of the shareholders' meeting.

Proposals not set out in the notice of the shareholders' meeting or not in compliance with the Articles of Association shall not be voted on or resolved at the shareholders' meeting.

**Article 56** The convener shall notify all shareholders 21 days before the annual meeting, and shall notify all shareholders 15 days before the extraordinary meeting. Where the laws, regulations and the regulatory rules of the place where shares of the Company are listed otherwise provided, such provisions shall prevail.

The date of the meeting shall not be included in the calculation of the commencement period.

**Article 57** Except as otherwise required by relevant laws, regulations, regulatory documents, the securities regulatory authorities in the place where the Company's shares are listed and the Articles of Association, the notice of a shareholders' meeting shall be sent to shareholders (regardless of whether they are entitled to vote at the shareholders' meeting or not) by announcement.

**Article 58** The notice of a shareholders' meeting shall include the following:

(I) the date, venue and duration of the meeting;

(II) matters and proposals submitted to the meeting for consideration;

(III) the notice shall state clearly that all shareholders are entitled to attend the shareholders' meeting or appoint proxies in writing to attend and vote at such meeting on their behalf and that such proxies need not be a shareholder of the Company;

(IV) the shareholding registration date for the shareholders who are entitled to attend the shareholders' meeting;

(V) the names and telephone numbers of the contact person for the meeting affairs;

(VI) voting time of and procedures via online or other methods;

(VII) other requirements stipulated by laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Notices and supplemental notices of shareholders' meetings shall contain the contents stimulated by the regulatory rules of the place where the Company's shares are listed and the Articles of Association, and shall fully and completely disclose all the specific contents of all proposals as well as all the information or explanations necessary to enable the shareholders to make a reasonable judgment on the matters to be discussed. Where the opinions of an independent non-executive Director are required on matters to be considered, the opinions and reasons thereof shall be disclosed at the same time when the notice of shareholders' meeting and the supplemental notice are issued.

**Article 59** The period between the record date and the meeting date shall be no more than 7 business days. Once the record date is confirmed, it shall not be changed. When the shareholders' meeting intends to discuss the election of a non-employee representative on the Board of Directors, the notice of the shareholders' meeting shall fully disclose the details of the candidates for non-employee representative on the Board of Directors, including, as a minimum, the following contents:

(I) personal particulars such as education background, work experience and any concurrent positions;

(II) whether there is any related relationship with the Company or the controlling shareholder and de facto controller, the shareholders holding more than 5% of the shares of the Company, other directors and senior management of the Company;

(III) disclosure of the number of shares held in the Company;

(IV) whether they have been punished by the CSRC and other relevant departments and disciplined by stock exchanges;

(V) whether there are circumstances under which a person may not serve as a director as stipulated in the Company Law, other laws and regulations, regulatory rules;

(VI) other information required to be disclosed by the regulatory rules of the place where shares of the Company are listed.

Other than the non-employee representative on the Board of Directors elected through the cumulative voting system, each candidate for non-employee representative on the Board of Directors shall be nominated by a separate proposal.

**Article 60** After the issuance of the notice for shareholders' meeting, the shareholders' meeting shall not be postponed or cancelled without proper reasons and the proposals specified in the notice shall not be withdrawn. In case of postponement or cancellation, the convener shall make an announcement stating the reasons at least two working days before the original meeting date. If there are special provisions under the regulatory rules of the place where the Company's shares are listed regarding the procedures for postponing or canceling shareholders' meetings, the provisions shall prevail provided that they do not violate the domestic regulatory requirements.

## Section 5 Holding of Shareholders' Meetings

**Article 61** The Board of Directors and other conveners of the Company shall take necessary measures to ensure the normal order of the shareholders' meeting. Measures shall be taken to stop acts that interfere with the shareholders' meeting, provoke troubles and infringe the legitimate rights and interests of shareholders, and report to relevant authorities for investigation and penalty in a timely manner.

**Article 62** All shareholders registered on the record date or their proxies shall be entitled to attend the shareholders' meeting, speak at the shareholders' meetings, and exercise their voting rights in accordance with the relevant laws, regulations, the regulatory rules of the place where shares of the Company are listed and the Articles of Association. Unless an individual shareholder is required to abstain from voting on a particular matter under the regulatory rules of the place where shares of the Company are listed.

A shareholder may attend a shareholders' meeting in person, or may appoint other persons as his/her proxy to attend and vote on his/her behalf. Any shareholder entitled to attend and vote at the shareholders' meeting shall have the right to appoint one or several persons (who may not be shareholders) to act as his proxy to attend and vote at the meeting on his behalf.

**Article 63** Individual shareholders attending the meeting in person shall present their personal identity cards or other valid certificates or documents that can indicate their identity. Proxies attending the meeting shall present their personal identity cards and the proxy statements from the shareholder.

Corporate shareholders shall be represented by its legal representative or proxies authorized by the legal representative. If such a corporate shareholder has appointed a representative to attend any meeting, it shall be treated as being present at the meeting in person. Legal representatives attending the meeting shall present their personal identity cards or valid documents that can prove their identity as the legal representative. Proxies authorized to attend the meeting shall present their personal identity cards or the written proxy statement legally issued by the legal representative of the corporate shareholder. A corporate shareholder may execute a form of proxy by a duly authorized person.

Where the shareholder is an unincorporated organization, the person in charge of the organization or a proxy entrusted by the person in charge shall be entitled to attend the meetings. If such an unincorporated shareholder has appointed a representative to attend any meeting, it shall be treated as being present at the meeting in person. The person in charge of the organization attending the meeting shall present their personal identity cards or valid documents that can prove their identity as the person in charge. Proxies authorized to attend the meeting shall present their personal identity cards or the written proxy statement legally issued by the person in charge of the organization. An unincorporated shareholder may execute a form of proxy by a duly authorized person.

If the shareholder is a recognized clearing house (or its agent) as defined in the relevant ordinances enacted in Hong Kong from time to time, the shareholder may authorize one or more persons as he/she deems appropriate to act as his/her representative at any shareholders' meeting. However, if more than one person is authorized, the power of attorney shall state the number and class of shares in respect of which each such person is authorized and shall be signed by the authorized officer of the recognized clearing house. Persons so authorized may attend the meeting (without presenting proof of shareholding, notarized authorization and/or further evidence to prove they have obtained official authorization), speak at the meeting and exercise legal rights on behalf of the recognized clearing house (or its agent) as if he/she was an individual shareholder of the Company. These authorized persons enjoy statutory rights (including the right to speak and vote) equivalent to those enjoyed by other shareholders.

**Article 64** The proxy form provided by a shareholder to appoint another person to attend a shareholders' meeting shall contain the following particulars:

(I) name of the proxy;

(II) whether the proxy has the right to vote (including on ad hoc proposals that may be included in the agenda of the shareholders' meeting) and indication of which right to vote should be exercised;

(III) instruction of voting for, against or abstain for each resolution proposed at any shareholders' meeting;

(IV) date of signing the proxy form and the effective period for such appointment;

(V) signature (or seal) of the appointing shareholder. Where the appointing shareholder is not a natural person, the seal of the organization shall be affixed or the legally authorized person shall sign on the same.

Where the regulatory rules of the place where shares of the Company are listed contain special provisions on the proxy forms, such provisions shall prevail.

**Article 65** The proxy form shall state whether the proxy may vote has he/she thinks fit in the absence of instructions from the shareholder.

**Article 66** The proxy form shall be deposited at the domicile of the Company or such other place as the notice of the meeting may specify not less than 24 hours prior to convening of the meeting at which the relevant matters will be voted on, or 24 hours before the designated voting time.

Where the proxy voting form is signed by any other person authorized by the appointing shareholder, such proxy form or other authorization documents shall be notarized to be effective. The notarized proxy form or other authorization documents, together with the proxy voting form, shall be maintained in the Company's domicile or other place specified in the notice of meeting.

Where the appointing shareholder is not a natural person, if the legal representative or representative appointed by the managing partner or any other person is unable to sign the proxy form for any reason, a person authorized by a resolution of the Board of Directors or any other decision-making body (in the absence of the Board of Directors) shall attend the Company's shareholders' meeting as a representative.

**Article 67** A register for attendees at the meeting shall be compiled by the Company, which shall contain, among others, the name of the attendee (or the name of the organization), identity card number, residential address, the number of shares with voting rights held or represented by the attendee and the name of the person (or the name of the organization) who attends the meeting by proxy.

The convener and the lawyers engaged by the Company shall verify the legitimacy of the eligibility of the shareholders based on the register of shareholders provided by the securities registration and clearing institution, and shall register the names of the shareholders as well as the number of shares with voting rights that are held by them. The registration for the meeting shall be completed before the chairman of the meeting announces the number of shareholders and proxies attending the on-site meeting and the total number of shares with voting rights that they represent.

**Article 68** When the shareholders' meeting is held, all directors and the secretary to the Board of Directors of the Company shall attend the meeting, and the general manager and other relevant senior management members shall attend the meeting as non-voting delegates.

**Article 69** The shareholders' meeting shall be presided over by the Chairman of the Board. If the Chairman of the Board is incapable of performing or does not perform his/her duties, a director jointly elected by over half of the directors shall preside over the meeting.

The chairman of the Audit Committee shall preside over the shareholders' meeting that is convened by the Audit Committee. If the chairman of the Audit Committee is unable to or fails to perform his/her duties, a member of the Audit Committee jointly elected by more than half of the members of the Audit Committee shall preside over the meeting.

A shareholders' meeting convened by the shareholders shall be presided over by a representative elected by the conveners.

When a shareholders' meeting is held and the presider of the meeting violates the Articles of Association or the rules of procedures for the shareholders' meeting such that the shareholders' meeting cannot proceed, with the consent of more than half of the shareholders with voting rights present at the meeting, the shareholders' meeting may elect a person to be the presider of the meeting and the meeting shall be continued.

**Article 70** The Company shall formulate the rules of procedure for the shareholders' meeting which shall specify in detail the convening and voting procedures of a shareholders' meeting, including notification, registration, consideration of proposals, voting, counting of votes, announcement of voting results, formation of resolutions, meeting minutes and their signing, announcements and other contents, and the principles of authorization to the Board of Directors at the shareholders' meeting. The authorization shall be clear and specific. The rules of procedure for the shareholders' meeting shall be prepared by the Board of Directors and approved by the shareholders' meeting, and shall be appended to the Articles of Association.

**Article 71** At the annual shareholders' meeting, the Board of Directors shall report to the shareholders' meeting their work done in the past year. Each independent non-executive director shall also present a work report.

**Article 72** Directors and senior management members shall provide explanations and statements on the inquiries and suggestions put forward by shareholders at the shareholders' meeting. In any of the following circumstances, the relevant personnel may refuse to answer but shall explain the reasons to the inquirer:

(I) inquiries are irrelevant to the subject topic;

(II) the matters inquired are subject to investigation;

(III) it involves the Company's trade secrets and cannot be disclosed at the shareholders' meeting;

(IV) answering inquiries will significantly damage the common interests of the shareholders of the Company;

(V) other important matters.

**Article 73** The presider of the meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting and the total number of voting shares held by them. The number of shareholders and proxies attending the meeting and the total number of voting shares held by them shall be subject to the registration of the meeting.

**Article 74** Minutes of the shareholders' meeting shall be kept and the secretary to the Board of Directors shall be responsible therefor.

The meeting minutes shall contain the following contents:

(I) time, venue, agenda of the meeting and name of the convener;

(II) names of the presider of the meeting and the directors, managers and other senior management members attending the meeting or attending the meeting as non-voting delegates;

(III) the number of shareholders and proxies attending the meeting, the total number of voting shares held by them and the proportion to the total number of shares of the Company;

(IV) the consideration process, key points of speech and voting results of each proposal;

(V) shareholders' inquiries or suggestions and corresponding replies or explanations;

(VI) names of vote counters, scrutineers and attorneys (if any);

(VII) other contents as the shareholders' meeting may consider or required by the Articles of Association to be included in the meeting minutes.

**Article 75** The convener shall ensure that the minutes are true, accurate and complete. The attending Directors, secretary to the Board, convener or his/her representative and the chairman of the meeting shall sign on the minutes of the meeting and ensure that the minutes are true, accurate and complete. The minutes of the meeting shall be kept together with the signature book of the attending shareholders, the power of attorney of the proxies and the valid information of voting via internet or by other means for a period of not less than 10 years.

**Article 76** The convener of the meeting shall ensure that the shareholders' meeting is held continuously until final resolutions have been reached. In the event that the shareholders' meeting is suspended or the shareholders fail to reach any resolution due to force majeure or for other special reasons, necessary measures shall be taken to resume the meeting as soon as possible or the meeting shall be terminated directly and an announcement shall be published timely. Meanwhile, the convener shall report the same to the stock exchange.

## Section 6 Voting and Resolutions of Shareholders' Meetings

**Article 77** Resolutions at the shareholders' meeting are classified into ordinary resolutions and special resolutions.

An ordinary resolution put forward at a shareholders' meeting shall be passed by votes representing more than half of the voting rights held by the shareholders (including their proxies) attending the shareholders' meeting.

Special resolutions put forward at a shareholders' meeting shall be passed by votes representing more than two-thirds of voting rights held by the shareholders (including their proxies) attending the meeting.

**Article 78** The following matters shall be approved by ordinary resolutions at the shareholders' meeting:

(I) work reports of the Board of Directors;

(II) profit distribution plans and loss recovery plans formulated by the Board of Directors;

(III) appointment and dismissal of the members of the Board of Directors, their remunerations and the method of payment thereof;

(IV) annual report of the Company;

(V) election or replacement of Directors who are not employee representatives and to decide on matters relating to the remuneration of Directors;

(VI) decision on the appointment and dismissal of accounting firms by the Company and their remunerations (or method of payment thereof);

(VII) other matters except for those prescribed by laws, administrative regulations, regulatory rules of the stock exchange where the Company's shares are listed, or the Articles of Association that shall be approved by special resolutions.

**Article 79** The following matters shall be approved by special resolutions at the shareholders' meeting:

(I) increase or decrease of the registered capital of the Company;

(II) spin-off, merger, dissolution and liquidation of the Company or change of corporate form of the Company;

(III) amendments to the Articles of Association;

(IV) purchase or sale of material assets or guarantees by the Company in excess of 30% of the Company's latest audited total assets within a period of 1 year;

(V) share incentive schemes.

**Article 80** Other matters prescribed by the laws, administrative regulations, regulatory rules of the stock exchange where the Company's shares are listed, or the Articles of Association, and those matters determined by ordinary resolutions at a shareholders' meeting to have a material impact on the Company and required to be approved by special resolutions. Shareholders (including proxies) shall exercise their voting rights based on the number of the shares with voting rights they represent, each share shall carry one vote. Shareholders (including proxies) with two or more votes are not required to cast all their votes as affirmative, negative or abstention votes.

Where material issues affecting the interests of minority shareholders are considered at the shareholders' meeting, the votes of minority shareholders shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

The Company's own shares held by the Company do not carry voting rights and such shares shall not count towards the total number of shares with voting rights present at shareholders' meetings.

The Board of Directors of the Company, independent non-executive directors, and shareholders meeting the relevant conditions may solicit the voting rights from the shareholders. When soliciting voting rights from the shareholders, the specific voting intention and other information shall be fully disclosed to the solicitation targets. Solicitation of shareholder voting rights in a paid or disguised paid way shall be prohibited. The Company shall not impose restrictions on the minimum shareholding proportion against the solicitation of shareholder voting rights.

If a shareholder purchases shares with voting rights of the Company in violation of the provisions of Clause 1 and Clause 2 of Article 63 of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised and shall not be counted towards the total number of shares with voting rights present at the shareholders' meeting for thirty-six months after the purchase.

Where it is specified by regulatory rules of the stock exchange where the Company's shares are listed that any shareholder must waive its voting power in respect of a certain matter to be resolved or any shareholder may only vote in favor (or against) a certain matter to be resolved, the votes cast by the shareholders or their representatives in violation of the foregoing provision shall be null and void.

**Article 81** Where any related party transaction is considered at a shareholders' meeting, the secretary to the Board shall determine the scope of related shareholders in accordance with relevant laws, regulations, normative documents, Hong Kong Listing Rules and regulatory rules of the stock exchange where the Company's shares are listed, before the meeting; when it is difficult to judge whether they belong to related shareholders or not, the secretary to the Board shall consult with the professional intermediary agency retained by the Company for confirmation; related shareholders or their authorized representatives may attend the shareholders' meeting, and may clarify their points of view to the attending shareholders in accordance with procedures of the meeting, but they shall abstain from voting. Other non-related shareholders of the Company and the Board of Directors of the Company may apply for recusal of a related shareholder, and the Board of Directors shall be obliged to notify the shareholder concerned of the application immediately. The shareholders concerned may raise objections to the said application, and if no objections have been raised prior to the voting, the shareholder subject to the application for recusal shall recuse himself/herself from voting; if he/she objects to the application, he/she may request the Audit Committee to make a resolution in respect of the application.

After the recusal of the related shareholder, the other shareholders shall vote according to their voting rights and adopt the corresponding resolution in accordance with the provisions of the Articles of Association. The recusal and voting procedures of the related shareholders shall be notified by the presiding officer of the shareholders' meeting and recorded in the minutes of the meeting.

When a related transaction is considered at a shareholders' meeting, the related shareholders and their associates shall not participate in voting, and the number of voting shares represented by them shall not be counted into the total number of valid votes. The announcement of any resolution made at the shareholders' meeting shall adequately disclose information relating to voting by non-related shareholders, subject to requirements of the Hong Kong Stock Exchange.

**Article 82** Resolutions on related transactions at a shareholders' meeting must be passed by more than half of the votes cast by the non-related shareholders present at the shareholders' meeting. However, when such related transactions involve matters that require special resolutions as stipulated in the Articles of Association, the resolutions of the shareholders' meeting must be passed by more than two-thirds of the voting rights held by the non-related shareholders present at the shareholders' meeting.

If related parties or their close associates participate in the voting in violation of the provisions of this Article, the voting on the related transaction matters in their votes shall be invalid and shall be voted again.

**Article 83** Unless the Company is in a crisis or under other special circumstances, the Company shall not enter into any contract with any person other than directors, general manager and other senior management members pursuant to which all or a substantial part of the business of the Company will be given to such person without the approval by special resolutions at a shareholders' meeting.

**Article 84** The list of candidates for non-employee representative on the Board of Directors shall be submitted to the shareholders' meeting for voting in the form of proposal.

When voting at the shareholders' meeting for the election of more than two non-employee representative on the Board of Directors, cumulative voting system may be implemented.

The cumulative voting system mentioned in the preceding paragraph means that when non-employee representative on the Board of Directors are being elected at a shareholders' meeting, each share has the number of votes same as the number of non-employee representative on the Board of Directors to be elected, and the shareholders' votes may be used in a concentrated manner. The Board of Directors shall announce the resumes and basic information of the candidates for non-employee representative directors to the shareholders.

Candidates for non-employee representative on the Board of Directors shall be nominated by the Board of Directors or shareholders individually or jointly holding more than 3% of the Company's shares and the nomination shall be submitted to the shareholders' meeting for election.

Labor union of the Company shall nominate employee representative directors and submit the nomination to the employee representative assembly for election.

**Article 85** In addition to the cumulative voting system, the shareholders' meeting shall vote on all proposals one by one; in the event that there are several proposals for the same issue, such proposals shall be voted on and resolved in the order of the time at which they are submitted. Unless the shareholders' meeting is terminated or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be set aside nor refused at the shareholders' meeting.

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

**Article 87** Voting shall be conducted by open ballot at a shareholders' meeting. Each voting right shall be exercised either at the meeting, online, or by any of other available means. The first vote shall prevail in cases when a given voting right is exercised repeatedly.

**Article 88** Before the shareholders' meeting votes on resolutions, the presider of the meeting shall nominate two shareholder representatives to participate in vote counting and scrutinizing, and declare the number of shares held by the shareholder representative scrutinizing the votes. When any shareholder is related to any matter under consideration, the said shareholder and proxy thereof shall not participate in vote counting or scrutinizing.

At the time of deciding on a proposal by voting at a shareholders' meeting, shareholders' representatives and representatives of the Audit Committee as well as other relevant persons appointed in accordance with the regulatory rules in the place where the shares of the Company are listed shall count and scrutinize the votes jointly in accordance with the regulatory rules in the place where the shares of the Company are listed and announce the voting results on the spot. The voting results in connection with the resolution shall be recorded in the meeting minutes.

Shareholders or their proxies voting via the network or other means shall have the right to check their voting results via the corresponding voting system.

An on-site shareholders' meeting shall not end before that held on-line or otherwise, and the presider of the meeting shall announce the voting status and results of each proposal and announce whether the proposal is adopted or not based on the voting results.

Prior to the formal announcement of voting results, the relevant parties involved at the shareholders' meeting, including the Company, counting officers, scrutinizers, the substantial shareholders, and internet service provider shall be obliged to keep the voting status confidential.

**Article 89** The shareholders attending the shareholders' meeting shall express one of the following opinions on the proposal to be voted on: for, against, or abstain, save for the circumstance under which the securities registration and settlement institution acting as the nominal holder of shares under the Mainland and Hong Kong Stock Connect scheme, or recognized clearing houses, as defined in the relevant regulations in force from time to time under the laws of Hong Kong, or their agents which serve as the nominal holders, makes reporting in accordance with the instruction of the de facto holders of relevant shares.

A blank, wrongly filled, or illegible vote, or an uncast vote shall be deemed to be a waiver of the voting right of the voter, and the voting result for the number of shares he/she holds shall be counted as "abstention".

**Article 90** If the presider of the meeting has any doubts as to the result of a resolution which has been put to vote at the shareholders' meeting, he/she may have the votes counted. If the presider of the meeting has not counted the votes, any shareholder present in person or by proxy who objects to the result announced by the presider of the meeting may, immediately after the declaration, demand that the votes be counted, and the presider of the meeting shall have the votes counted immediately.

**Article 91** Resolutions of the shareholders' meeting shall be announced in a timely manner. The announcements shall set forth the number of shareholders and proxies present at the meeting, the total number of voting shares held and the proportion to the total number of voting shares of the Company, the voting method, the voting results on each proposal and the details of each of the resolutions passed.

Where a proposal has not been passed or the resolutions of the preceding shareholders' meeting have been changed at the current shareholders' meeting, special mention shall be made in the announcement of the resolutions of the shareholders' meeting.

**Article 92** If the shareholders' meeting passes a proposal concerning the election of a non-employee representative on the Board of Directors, the new non-employee representative on the Board of Directors shall take office on the date when the resolution of the shareholders' meeting for the election of the non-employee representative on the Board of Directors is passed or the date when the appointment specified in the relevant resolution becomes effective.

**Article 93** If the shareholders' meeting passes the proposal on cash dividends, bonus shares or conversion of capital reserve into share capital, the Company shall implement the specific scheme in 2 months after the conclusion of the shareholders' meeting.

## Chapter 5 Board of Directors

### Section 1 Directors

**Article 94** The directors of the Company are natural persons. Whoever is under any of the following circumstances is not allowed to act as a Director of the Company:

(I) having no or limited civil capacity;

(II) a person who has been penalized or sentenced due to corruption, bribery, embezzlement, appropriation of property or the disruption of the socialist market economy, and five years have not elapsed from which the punishment or deprivation of political rights for the crimes committed was carried out, or has been given a suspended sentence, and two years have not elapsed since the expiration of the period of probation;

(III) who, being a director or the factory director or general manager of a company or enterprise that went into bankruptcy and liquidation, was personally liable for the bankruptcy of the said company or enterprise, where less than three years have elapsed from the date liquidation of the company or enterprise was completed;

(IV) who, being the statutory representative of a company or an enterprise, the business license of which was revoked for violation of law and which was ordered to close down, was personally liable for the above, where less than three years have elapsed from the date the business license of the company or enterprise was revoked or was ordered to close down;

(V) who has a relatively large amount of debts due and outstanding and is listed as a dishonest person subject to enforcement by the people's court;

(VI) a person who has been prohibited from entering the securities market by the CSRC or the stock exchange where the shares of the Company are listed or other regulatory authorities, and the time limit has not expired;

(VII) publicly identified by the stock exchange as unsuitable to serve as directors and senior management members of listed companies;

(VIII) being subject to a case investigation by the judicial organ for involvement in a suspected crime or by the CSRC for suspected violation of any law or regulation, and yet there being no clear conclusion;

(IX) such other matters as prescribed by laws, administrative regulations or department rules, or applicable laws and regulations at the place where the Company is listed.

The qualification, nomination, resignation and other matters of independent non-executive Directors shall be subject to laws, administrative regulations or department rules, or applicable laws and regulations at the place where the Company is listed.

If the Company elects or appoints a director in violation of the provisions of this Article, such election, appointment or employment shall be invalid. The Company shall dismiss such director once the circumstances described in this Article occur during the term of such director.

**Article 95** Non-employee representative on the Board of Directors shall be elected or replaced at the shareholders' meeting, and can be removed from their office prior to the expiry of their term of office by the shareholders' meeting by ordinary resolution (but without prejudice to any claim for damages by such Directors according to any contract). The Board of Directors of a company that has more than 300 employees shall include a member who is a representative of employees of the company, unless the company has a Board of Supervisors in accordance with the law that includes a representative of employees of the company. The term of office of a Director is three years, and at the expiry thereof, the term is renewable upon re-election.

The term of office of a director shall start from the date on which the said director assumes office to the expiry of the current term of the Board. If the term of office of a director expires but re-election is not made responsively, the said director shall continue fulfilling the duties as director pursuant to laws, administrative regulations, departmental rules, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association until a new director is elected.

Any person appointed as a director by the Board of Directors to fill certain casual vacancy or to be addition to the members of the Board of Directors shall only take office until the next annual shareholders' meeting from the appointment, and shall then be eligible for re-election.

The general manager or other senior management members may concurrently serve as Directors, provided that the total number of Directors who concurrently serve as the general manager or other senior management members and the total number of Directors who are served by employee representatives shall not exceed half of the total number of Directors of the Company.

**Article 96** Directors shall observe laws, administrative regulations and the Articles of Association, and shall assume the following duties of loyalty to the Company:

(I) not to accept any bribery or other illegal income by using his/her powers and position, nor seize the assets of the Company in any manner;

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

(III) not to open accounts in his/her own or another individual's name for deposit of the Company's assets or funds;

(IV) not to violate the Articles of Association, or loan the Company's funds to others or use the Company's assets as security for the debts of others without approval of the shareholders' meeting or the Board of Directors;

(V) not to directly or indirectly enter into contracts or conduct transactions with the Company without reporting to the Board of Directors or the shareholders' meeting on matters related thereto or passing a resolution by the Board of Directors or the shareholders' meeting in accordance with the Articles of Association. This paragraph applies to any close relatives of Directors or senior management, or enterprises directly or indirectly controlled by Directors or senior management or their close relatives, or those having other connected relationship with the Directors or senior management, that enter into contracts or conduct transactions with the Company;

(VI) to protect the interests of the Company and all the shareholders, and not to damage the Company's interests for the benefit of the actual controller, shareholders, employees, themselves or other third parties;

(VII) not to, without approval of the shareholders' meeting, seek business opportunities which should have belonged to the Company for himself/herself or his/her close relatives or others by using insider information or using his/her powers and position, except that (1) such behavior has been reported to the Board of Directors or the shareholder's meeting and passed a resolution by the Board of Directors or the shareholder's meeting in accordance with the Articles of Association; (2) the Company may not use such business opportunities according to laws, administrative regulations and the Articles of Association;

(VIII) not to accept commissions relating to the transactions of the Company and appropriate to himself/herself;

(IX) not to disclose secrets of the Company without permission, or divulge material information that has not been disclosed, or seek improper benefits by using insider information; to perform the non-compete obligation agreed upon with the Company after departure;

(X) not to take advantage of his/her connected relationship to harm interests of the Company;

(XI) to perform the non-compete obligation agreed upon with the Company after departure;

(XII) other duties of loyalty as prescribed by laws, administrative regulations, department rules, regulatory rules of the stock exchange where the Company's shares are listed, and the Articles of Association.

Any proceeds obtained by a Director in violation of this article shall belong to the Company. Where the Company suffers any losses thereby, the said Director shall be obliged to make compensations therefor.

**Article 97** Directors shall observe laws, administrative regulations and the Articles of Association and shall assume the following duties of due diligence to the Company:

(I) to cautiously, earnestly and diligently exercise the rights conferred by the Company to ensure that the business conduct of the Company is in conformity with laws, administrative regulations and all economic policies of the State, and its business activities shall not go beyond the business scope as registered in its business license;

(II) to treat fair all the shareholders;

(III) to carefully read business and financial reports of the Company and timely become aware of the business and management situation of the Company;

(IV) to sign written confirmation comments with respect to the periodical reports of the Company to ensure that the information disclosed by the Company is authentic, accurate and complete;

(V) to faithfully furnish related information and materials to the Audit Committee, and not to interfere with the Audit Committee or its members in exercising its/their functions and powers;

(VI) to guarantee that he/she has sufficient time and energy to participate in the Company's affairs, and to prudentially judge the possible risks carried and benefits delivered by the matters considered; to attend the Board meetings in person in principle, and if another Director is authorized to attend such meetings on his/her behalf for some reason, the Director shall prudentially select an authorized representative, specifying matters to be acted upon and intended decisions, and shall not grant discretionary authority;

(VII) to pay attention to the operating condition and other matters of the Company and timely report relevant problems and risks to the Board of Directors, and not to claim exemption from liability with the excuse that he/she is unfamiliar with the Company's business or unaware of relevant matters;

(VIII) to actively promote the well-regulated operation of the Company, urge the Company to perform its disclosure obligations, correct and report the violation of regulations by the Company in a timely manner, and support the Company in fulfilling its social responsibility;

(IX) other duties of due diligence as prescribed by laws, administrative regulations, department rules, regulatory rules of the stock exchange where the Company's shares are listed, and the Articles of Association.

**Article 98** Where the controlling shareholder or actual controller of the Company who does not serve as a director but actually attends to the affairs of the Company, he/she/it shall comply with Article 96 and Article 97 of the Articles of Association.

**Article 99** If a director fails to attend any two consecutive Board meetings in person or by appointing other directors to attend such meetings on his/her behalf, such director shall be deemed failing of performing his/her duties, and the Board of Directors shall make recommendation to a shareholders' meeting for replacement. Subject to the regulatory rules of the place where the shares of the Company are listed, the aforesaid persons may attend or take part in the meeting by internet, video, telephone or other means with equivalent effect.

**Article 100** A director may resign before expiry of his/her term of office, provided that a written resignation report in respect of his/her resignation shall be submitted to the Board of Directors and the Board of Directors shall disclose the relevant information within 2 days.

A director shall continue to perform his/her duties in accordance with the laws, administrative regulations, departmental rules, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association until a duly re-elected director takes office, if the resignation of such director results in the number of directors being less than the quorum.

A director who resigns shall submit a written notice to the Company, and the resignation shall become effective on the date the Company receives the notice. However, in the circumstances described in the preceding paragraph, the director shall continue to perform his/her duties.

The shareholders' meeting may remove any director by a resolution, which shall come into effect on the date such resolution is made. Where a director is removed from office prior to the expiration of his/her term of office without justifiable cause, the director may demand compensation from the Company.

**Article 101** Save for the circumstances referred to in the preceding article, the director's resignation takes effect upon delivery of his/her resignation report to the Board of Directors. A director shall clear all transitional procedures with the Board of Directors on resignation or expiry of term and shall fulfill his/her fiduciary obligations to the Company and shareholders. The obligations shall not be dismissed after the expiry of term and remain effective within the reasonable period specified by the Articles of Association. A director's confidentiality obligation of the Company's trade secret shall remain valid after the expiration of his/her term of office until the secret becomes public information. The duration of other obligations shall be determined on the principle of fairness, depending on the length of time between the occurrence of the event and his/her departure, and the circumstances and conditions under which the relation with the Company ends.

Any director whose term of office has not expired shall be liable for compensation for any loss caused to the Company as a result of his/her unauthorized resignation.

If a director cannot resign due to his/her unfinished duties to the Company or the unfinished audit, he/she shall bear liabilities to compensate for the losses caused by his/her unauthorized absence to the Company.

**Article 102** Without lawful authority conferred under the Articles of Association or by the Board of Directors, any director may not act in his/her own name on behalf of the Company or the Board of Directors. In the event that any third party reasonably believes that a director is representing the Company or the Board of Directors when such director acts in his/her own name, such director shall declare his/her position and identity in advance.

**Article 103** If a director violates the laws, administrative regulations, departmental rules, the regulatory rules of the place where the shares of the Company are listed or the Articles of Association when performing his/her duties, and causes losses to the Company, he/she shall be liable for compensation.

**Article 104** The Company has independent non-executive Directors. The qualification, nomination and election procedure, term of office, resignation, functions and powers and other matters of independent non-executive Directors shall be subject to laws, administrative regulations, department rules, and regulatory rules at the place where the Company is listed. Unless otherwise specified in this Article, provisions of the Articles of Association on the qualifications and obligations of Directors apply to independent non-executive Directors. There shall be at least three independent non-executive Directors, who must make up at least one third of all the Directors and include at least one person that has the professional qualification required in the Hong Kong Listing Rules or is expert in accounting or financial management. One independent non-executive Director shall habitually reside in Hong Kong. All independent non-executive Directors must have the independence required in the Hong Kong Listing Rules.

## Section 2 Board of Directors

**Article 105** The Company shall have a Board of Directors, which is accountable to the shareholders' meeting.

**Article 106** The Board of Directors shall consist of 9 directors. In all circumstances, the Board of Directors shall comprise at least one-third independent non-executive directors with the total number of independent non-executive directors being no fewer than three. A non-employee representative on the Board of Directors shall be nominated by the Company's shareholders and elected at the shareholders' meeting. An employee representative on the Board of Directors, if any, shall be democratically elected by the employees of the Company through the assembly of representatives of employees or assembly of employees or otherwise, without need for submission to the shareholders' meeting for consideration.

**Article 107** The Board of Directors shall exercise the following functions and powers:

(I) to convene the shareholders' meeting and to report its work at the shareholders' meeting;

(II) to implement the resolutions adopted at the shareholders' meeting;

(III) to determine the Company's business plans and investment plans;

(IV) to formulate the Company's profit distribution plan and loss recovery plan;

(V) to formulate plans for the increase or decrease of the Company's registered capital and for the issuance of the Company's debentures or other securities and listing;

(VI) to work out plans for major acquisitions, acquisition of the Company's stock under circumstances specified in items (I) and (II) of Article 22 in the Articles of Associations, or merger, division, dissolution and change of the form of the Company, and to take resolutions on repurchase of the Company's stock under circumstances specified in items (III), (V) and (VI) of Article 22 in the Articles of Associations;

(VII) to determine, within the scope authorized by the shareholders' meeting, on such matters as external investments, acquisition or sale of assets, assets pledge, external guarantee, entrusted financing and related transactions of the Company;

(VIII) to decide on the Company's internal management structure;

(IX) to appoint or dismiss the Company's general manager and Board secretary and to, based on the nomination by the general manager, appoint or dismiss the Company's deputy general manager, CFO and other senior management members and decide on their remunerations, rewards and punishments;

(X) to formulate and modify the Company's basic management system;

(XI) to formulate plans for any amendment of the Articles of Association;

(XII) to formulate equity incentive plans of the Company;

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

(XIV) to propose to the shareholders' meeting for hiring or replacement of the accounting firm that does auditing for the Company;

(XV) to hear work reporting from the Company's general manager and inspect the performance of the general manager;

(XVI) to set up Board committees and elect members thereof in accordance with the Articles of Association or resolutions of the shareholders' meeting;

(XVII) to exercise any other functions and powers conferred by the laws, administrative regulations, department rules, regulatory rules of the stock exchange where the Company's shares are listed, or the Articles of Association, or shareholders' meeting.

The above functions and powers exercised by the Board of Directors or any transactions or arrangements of the Company, which require consideration by the shareholders' meeting according to the regulatory rules of the stock exchange where the Company's shares are listed, and matters beyond the scope authorized by the shareholders' meeting, shall be submitted to the shareholders' meeting for consideration.

Any restrictions on the functions and powers of the Board of Directors in the Articles of Association shall not be enforceable against bona fide third parties.

**Article 108** The Company's Board of Directors shall have an Audit Committee, a Nomination Committee and a Remuneration and Appraisal Committee, and shall set up a Strategy Committee and other Board committees. The Board committees shall be accountable to the Board of Directors, perform duties in accordance with the Articles of Association, the regulatory rules at the place where the Company is listed and the authorizations of the Board of Directors, and submit their proposals to the Board of Directors for consideration. The Board committees are fully composed of Directors. In the Audit Committee, independent nonexecutive Directors shall be in the majority, and an independent non-executive Director shall act as the chairman of the committee. In the Nomination Committee, independent non-executive Directors shall be in the majority, and there shall be a member of different gender; the chairman of the Board or an independent non-executive Director shall act as the chairman of the committee. In the Remuneration and Appraisal Committee, independent non-executive Directors shall be in the majority, and an independent non-executive Director shall act as the chairman of the committee. The Board of Directors is responsible for formulating working rules to standardize the operation of the Board committees.

**Article 109** The Company does not have a Board of Supervisors and the corresponding authority is exercised by the Audit Committee of the Board of Directors.

The Audit Committee shall be composed of at least three members, and a majority of the members shall not hold positions in the Company other than as directors and shall not have any relationship with the Company that may affect their independent and objective judgment.

In voting on a resolution of the Audit Committee, one person shall be entitled to only one vote.

**Article 110** When a transaction of the Company (excluding the provision of guarantees) meets any of the following criteria (the absolute value shall apply where the data involved in the following index calculation is negative), the transaction shall be submitted to the Board of Directors for consideration:

(I) where total assets involved in the transaction account (if the total assets involved in the transaction have both book value and appraised value, the higher one shall prevail) for more than 10% of the Company's latest audited total assets;

(II) where transaction amount accounts for more than 10% of the Company's market value;

(III) where the net asset of the subject of the transaction (for instance, equity interest) for the latest accounting year accounts for more than 10% of the Company's market value;

(IV) where operating revenue related to the subject of the transaction (for instance, equity interest) for the latest accounting year accounts for more than 10% of the Company's audited operating revenue for the latest accounting year, with an amount exceeding RMB10 million;

(V) where profit derived from the transaction accounts for more than 10% of the Company's audited net profit for the latest accounting year, with an amount exceeding RMB1 million;

(VI) where net profit related to the subject of the transaction (for instance, equity interest) for the latest accounting year accounts for more than 10% of the Company's audited net profit for the latest accounting year, with an amount exceeding RMB1 million;

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

Similar transactions relating to the same subject matter of the transaction of the Company for a period of consecutive twelve months shall be aggregated, and the amount aggregated, if exceeding the scope of authority above, shall be submitted to the shareholders' meeting for consideration in accordance with the relevant provisions of the Articles of Association. If relevant obligations are fulfilled in accordance with relevant articles, it is no longer included in the scope of cumulative calculation unless otherwise stipulated in the regulatory rules of the place where the shares of the Company are listed.

Unless otherwise stipulated in the laws, regulations, normative documents and the Articles of Association, the transactions that are lower than the above criteria shall be determined by the general manager of the Company (except for the related transactions with him/her).

**Article 111** The Company shall not, directly or through any of its subsidiaries, provide loans to Directors or senior management.

When the Board of Directors of the Company considers a connected transaction, the related directors shall abstain from voting and may not act on behalf of other directors to exercise their voting rights.

Where the regulatory rules of the place where the shares of the Company are listed have other provisions, such provisions shall prevail.

**Article 112** The proposed external guarantees to be implemented by the Company shall be considered by the Board of Directors and shall also be approved by more than two-thirds of the directors present at the Board meeting, in addition to the requirement that they shall be approved by the majority of all the directors.

The aforesaid external guarantees, where fall under the circumstances stipulated in Article 43 hereof, shall also be submitted to the shareholders' meeting for consideration.

**Article 113** If non-standard audit opinions are issued by the accounting firm for the financial and accounting report of the Company, the Board of Directors shall make special explanation and resolution on the matters involved in the audit opinions.

**Article 114** The Board of Directors shall prepare the Rules of Procedure for the Board of Directors to ensure that the Board of Directors can implement the resolutions of the shareholders' meeting, improve its work efficiency and ensure scientific decision-making. The Rules of Procedure for the Board of Directors provide for the convening and voting procedures of the Board of Directors, which shall be formulated by the Board of Directors and approved at the shareholders' meeting.

The Board of Directors shall establish a stringent examination and policy-making process for the selection of external investments, purchase and sale of assets, pledge of assets, external guarantee, entrustment of financial management and related transactions. Significant investment projects must be appraised by a group of relevant experts and specialists, and be reported to shareholders' meeting for approval.

**Article 115** The Board of Directors shall have one chairman and no vice chairman. The chairman shall be elected by the Board of Directors subject to the affirmative vote of a simple majority of all Directors. The term of office of the chairman is three years, which is renewable upon re-election.

**Article 116** The Chairman shall exercise the following functions and powers:

(I) to preside over the shareholders' meeting and to convene and preside over Board meetings;

(II) to procure and check the implementation of resolutions of the board of directors;

(III) to sign important documents of the board of directors and other documents that shall be signed by the Chairman of the Company;

(IV) to propose the convention of an extraordinary Board meeting;

(V) to approve matters such as transactions which do not reach the standards of transactions within the scope of the Company's ordinary business operations as specified in Article 110 hereof;

(VI) in the event of any urgent situation due to force majeure such as catastrophic natural disasters, to exercise special powers of disposal in relation to the Company's affairs in compliance with legal requirements and in the interests of the Company and subsequently report such activities to the board of directors and the shareholders' meeting of the Company;

(VII) to exercise the functions and powers of the legal representative;

(VIII) to sign other documents that shall be signed by the legal representative of the Company;

(IX) to nominate candidates of general manager;

(X) to nominate to the board of directors candidates for directorship in the board of directors of the Company's subsidiaries or associated companies;

(XI) to exercise other functions and powers granted by the board of directors or by laws, administrative regulations or the regulatory rules of the place where the shares of the Company are listed.

Except for routine or long-term authorizations that have been clearly specified in the Articles of Association, the authorization of the board of directors to the Chairman shall be clearly made by means of a resolution of the board of directors, and there shall be clear and specific authorization matters, contents and authority. Any matters involving the significant interests of the Company shall be determined collectively by the board of directors and shall not be determined by the Chairman or any individual director on their own upon authorization.

**Article 117** In the event that the Chairman is incapable of performing or not performing his/her duties, a director nominated by over half of the directors shall perform his/her duties.

**Article 118** Board meetings shall be held at least four times a year, which shall be convened by the Chairman via giving a written notice to all attendees 14 days before the meetings are held. With the consent of all directors of the Company, the notice period stipulated above may be waived.

**Article 119** Extraordinary Board meetings may be proposed to be convened by shareholders representing more than 10% of voting rights, more than one-third of the directors or the Audit Committee, the chairman of the board of directors and more than one half of the independent non-executive directors. The Chairman shall convene and preside over such meeting within 10 days after receiving such proposal.

**Article 120** The notice method and time limit for convening a regular Board meeting: written notice shall be given 14 days before the meeting. Extraordinary Board meetings shall be held via giving a written notice to all attendees 48 hours before the meetings are held. With the consent of all directors of the Company, the notice period stipulated above may be waived.

In case of urgent situation that the extraordinary Board meetings shall be convened as soon as possible, the meeting notice may be sent via telephone or in other oral forms, but the convener shall explain at the meeting.

**Article 121** The notice of Board meetings shall include the following particulars:

(I) date and venue of the meeting;

(II) duration of the meeting;

(III) matters of and issues of discussion;

(IV) form of the meeting;

(V) date of the notice.

A notice given orally shall, at minimum, include the particulars set forth in items (I) and (IV) above and an explanation for holding an extraordinary Board meeting as soon as possible under urgent circumstances.

**Article 122** Board meetings shall be held only if more than half of the Directors are present. A resolution of the board of directors must be passed by more than half of all the Directors. Where the board of directors considers the guarantees specified in the Articles of Association, it must be passed by over two thirds of the Directors present at the Board meetings. If provisions of laws or administrative regulations require that the consent of more Directors shall be obtained to form resolutions of the board of directors, such provisions shall prevail.

In voting on a resolution of the board of directors, one person shall be entitled to only one vote. The chairman shall have two votes in the event of a tie.

**Article 123** Any Director affiliated with matters under any resolution made at the Board meetings shall be prohibited from exercising voting rights concerning that resolution, nor may that Director vote on behalf of any other Directors. The Board meetings may be held with the presence of more than half of all the non-affiliated Directors. A resolution made at the Board meetings shall be passed by more than half of all the non-affiliated Directors. If the number of non-affiliated Directors present at the Board meetings is less than three, the matter shall be submitted to the shareholders' meeting for consideration. If there are other provisions in the Hong Kong Listing Rules, such provisions shall prevail.

**Article 124** Resolutions to be adopted at the Board meetings shall be voted by a show of hands or by open ballot.

Board meetings shall generally be held onsite, or where necessary, via video, telephone, fax or circulation of written resolutions that shall be signed by the directors attending the meeting upon the consent of convener and the proposer, provided that the directors can adequately express their views. Board meetings may also be held onsite and offsite simultaneously.

Where a Board meeting is held offsite, the number of attending directors shall be counted according to the directors shown on the video, the directors expressing their views at the conference call, valid votes such as faxes or emails received within the prescribed period, or written acknowledgements submitted after the meeting by the directors for attending the meeting.

Directors shall sign on the Board resolutions and shall be accountable for the Board resolutions. Where a resolution of the Board meetings violates laws, regulations or the Articles of Association and causes serious losses to the Company, the directors who took part in such a resolution shall be liable to compensate the Company. However, if a director can prove that he/she had expressed his/her opposition to such resolution when it was put to the vote, and such opposition is recorded in the minutes of the meeting, the director may be relieved of such liability. A director who does not attend a meeting, nor appoint a proxy, nor give written advice on any matter before or at the time of the meeting shall be deemed not to have dissented and shall not be exempted from such liability.

**Article 125** Directors shall attend Board meetings in person. If a director is unable to attend a Board meeting, he/she may appoint another director to attend the meeting on his/her behalf by a written power of attorney specifying, among others:

(I) names of the principal and the proxy;

(II) the principal's brief opinion on each proposal;

(III) scope of authorization granted by the principal and his/her instructions on voting intentions with respect to the proposal;

(IV) term of validity of the appointment;

(V) the principal's signature and date of the appointment.

The director appointed as the representative of another director to attend the meeting shall exercise the rights of the director within the scope of authority conferred by the appointing director. Where a director is unable to attend a Board meeting and has not appointed a proxy to attend the meeting on his/her behalf, he/she shall be deemed to have waived his/her right to vote at the meeting.

**Article 126** The board of directors shall keep minutes of its resolutions on the matters discussed at the meeting. The directors who attended the meeting shall sign on the minutes of that meeting.

The minutes of the Board meetings shall be kept as archives of the Company for at least 10 years.

**Article 127** Minutes of the Board meetings shall include the following particulars:

(I) time and venue of the meeting, and name of the convener;

(II) issuance of the meeting notice;

(III) name of directors that attend the meeting personally, and names of directors (proxies) that attend the meeting on behalf of other directors;

(IV) agenda of the meeting;

(V) key points of the speeches of directors;

(VI) voting method for and result of each resolution on the agenda (with the voting result to include the number of ballots that vote "For", "Against" or "Abstained");

(VII) other matters required to be included in the meeting minutes in the opinion of the directors present.

## Chapter 6 General Manager and Other Senior Management

**Article 128** The Company shall have one general manager, who shall be appointed or dismissed by the board of directors.

The Company has certain deputy general managers, who shall be appointed or dismissed by the board of directors.

The general manager, deputy general manager, CFO and secretary to the board of directors are senior management members of the Company.

**Article 129** The circumstances in which a person may not serve as a director provided by Article 94 hereof shall also be applicable to senior management members.

The duty of loyalty of a director as stated in Article 96 hereof and the diligence obligations in items (IV), (V) and (IX) of Article 97 hereof shall also be applicable to senior management members.

**Article 130** Persons holding executive positions other than directors and supervisors of the controlling shareholders or the actual controllers of the Company shall not serve as senior management members of the Company.

The Company's senior management members shall be only paid by the Company, not by the controlling shareholders.

**Article 131** The term of office of the general manager shall be three years and may be renewed if reappointed.

**Article 132** The general manager shall be accountable to the board of directors and shall exercise the following functions and powers:

(I) to be in charge of the Company's production, operation and management, and to organize the implementation of the resolutions of the board of directors and report work to the board of directors;

(II) to implement and supervise the Company's development plans, annual production and operation plans, annual financial budget, annual balance sheet and income statement, and to give suggestions on profit distribution;

(III) to draft plans for the setup of the Company's internal management structure;

(IV) to draft the Company's basic management system;

(V) to formulate specific rules and regulations of the Company;

(VI) to propose to the board of directors for appointment or dismissal of the Company's deputy general manager and CFO;

(VII) to decide on the appointment or dismissal of management personnel other than those required to be appointed or dismissed by the board of directors;

(VIII) to carry out major external operation activities on behalf of the Company;

(IX) to decide on the recruitment, reward, punishment and dismissal of the Company's personnel;

(X) where necessary, to set up and revoke branches and offices after approval by the competent authority in China;

(XI) to decide on major issues in the Company's routine work, including but not limited to pricing;

(XII) to purchase or lease assets required by the Company;

(XIII) to attend Board meetings;

(XIV) other functions and powers conferred by the Articles of Association or the board of directors.

The general manager shall attend Board meetings.

**Article 133** The general manager shall formulate his/her terms of reference, which shall come into effect upon approval by the board of directors.

The terms of reference of the general manager shall include the following particulars:

(I) conditions and procedures for convening the general manager's meeting, and the participants;

(II) specific duties and functions of the general manager and other senior management members;

(III) use of funds and assets of the Company, authority for entering into material contracts and the reporting systems of the board of directors and the Audit Committee;

(IV) other matters which the board of directors considers necessary.

**Article 134** The general manager may resign before expiry of his/her term of office. The procedures and formalities for the resignation of the general manager shall be stipulated in the service contract or engagement agreement between the general manager and the Company.

**Article 135** Deputy general managers shall be nominated by the general manager and decided by the board of directors. Deputy general managers assist the general manager with the work of the Company. They are led by the general manager and responsible to the general manager.

**Article 136** The Company has a Board secretary, who shall be responsible for preparation of the sessions of shareholders' meeting and Board meetings, preservation of documents, management of the information of the Company's shareholders, handling of information disclosure, etc.

The Board secretary shall observe laws, administrative regulations, department rules, regulatory rules of the stock exchange where the Company's shares are listed, and the Articles of Association, and shall have the required qualifications and perform his/her duties loyally and diligently.

**Article 137** If a senior management member of the Company violates the laws, administrative regulations, departmental rules, the regulatory rules of the place where the shares of the Company are listed or the Articles of Association when performing his/her duties, and causes losses to the Company, he/she shall be liable for compensation.

**Article 138** Senior management members of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If a senior management member of the Company fails to perform his/her duties faithfully or violates the fiduciary duty, thereby causing damage to the interests of the Company and the public shareholders, he/she shall be liable for compensation according to law.

## Chapter 7 Financial and Accounting System, Profit Distribution and Auditing

### Section 1 Financial and Accounting System

**Article 139** The Company shall establish its financial and accounting systems in accordance with laws, administrative regulations, regulatory rules at the place where the Company is listed and provisions of departments concerned of the State. If the securities regulatory authority at the place where the Company is listed has other provisions, such provisions shall prevail.

**Article 140** The Company adopts the calendar year as its accounting year, which shall begin in each year on 1 January and end on 31 December of the Gregorian calendar

**Article 141** The Company shall not maintain any account books other than statutory account books. Assets of the Company must not be kept in any account opened in the name of any other individuals.

**Article 142** Regular reports on the Company's H Shares include annual reports and interim reports. The Company shall disclose a preliminary announcement on the annual results within 3 months from the end of each fiscal year, and complete and disclose the annual report within 4 months from the end of each fiscal year and at least 21 days before the date of the annual shareholders' meeting.

The Company shall disclose the preliminary announcement of its interim results within two months from the end of the first half (six months) of each accounting year, and prepare and disclose the interim report within three months from the end of the first half (six months) of each accounting year.

The aforesaid annual results, annual reports, interim results and interim reports are prepared in accordance with the relevant laws, administrative regulations, and regulations of the securities regulatory authorities in the places where the shares of the Company are listed and Hong Kong Stock Exchanges.

Where laws, regulative laws and regulations, normative documents promulgated by competent authorities, and regulatory rules of the place where the Company's shares are listed otherwise specify regarding the abovementioned reports, those provisions shall prevail.

**Article 143** When distributing its after-tax profits in the current year, the Company shall allocate 10% of its profits to the statutory common reserve funds of the Company. Such allocation may be waived if the cumulative amount of statutory common reserve funds of the Company exceeds 50% of the Company's registered capital.

Where the statutory common reserve funds of the Company are not sufficient to cover the Company's losses from the previous year, the current year profits shall be first used to cover such losses before allocation is made to the statutory common reserve funds pursuant to the previous paragraph.

After allocation to the statutory common reserve funds has been made from the after-tax profits of the Company, discretionary common reserve funds can be allocated from the after-tax profits after a resolution is made by the shareholders' meeting.

After the Company has covered its losses and made allocation to the common reserve funds, the remainder of the after-tax profits shall be distributed to shareholders in proportion to their shareholdings, unless otherwise stipulated in the Articles of Association.

If the shareholders' meeting, in violation of the previous paragraph, distributes profits to shareholders, the profits so distributed must be returned to the Company. Where the Company suffers any losses thereby, the shareholders and the responsible Directors and senior management shall be obliged to make compensations therefor.

Profit distribution does not apply to the shares of the Company held by the Company.

**Article 144** The common reserve funds of the Company shall be used to cover the Company's losses, expand its production and operation, or be converted to the Company's increased capital.

Where the common reserve funds are used to cover the Company's losses, discretionary and statutory common reserve funds shall be first used; if the losses still cannot be fully covered, capital reserves can be used as stipulated.

When the statutory common reserve funds are converted to capital, the amount remaining in the said statutory common reserve funds shall not be less than 25% of the Company's registered capital before such conversion.

**Article 145** The shareholders' meeting shall vote on the profit distribution plan in accordance with laws and regulations. After the shareholders' meeting has resolved on the profit distribution plan, the board of directors of the Company shall, within two months after the shareholders' meeting, complete the distribution of the dividend (or shares).

**Article 146** The profit distribution policy of the Company are as follows:

(I) Principles of dividend distribution: The Company shall implement a continuous and stable profit distribution policy. For the profit distribution, the Company shall attach importance to the reasonable investment returns to shareholders and take into account the sustainable growth of the Company.

(II) Forms of profit distribution: The Company proactively distributes dividends in cash or shares. If the accumulated undistributed profit of the Company for the year is positive and cash flows of the Company can meet the needs of the Company's normal operation and sustainable development of the Company, the auditors have issued an audit report with standardized unqualified opinions on the annual financial report of the Company, and the dividend conditions stipulated in the Company Law are met, the Company's annual profit distribution method must include distribution in cash.

(III) Percentage of cash dividends: The amount of cash dividends distributed by the Company each year shall not be less than 10% of the total distributable profits realized in the year.

(IV) The Company may distribute interim cash dividends if conditions permit.

(V) The profit distribution policy of the Company shall not be changed at will. If the existing profit distribution policy conflicts with the Company's operation, investment planning and long-term development needs, or the change in the external operating environment does require adjustment of the profit distribution policy, the profit distribution policy can be adjusted. The resolution on the adjustment of profit distribution policy shall be formulated by the board of directors, and shall be approved by the Audit Committee and more than 1/2 of the independent non-executive directors before being submitted to the board of directors for consideration. The independent non-executive directors shall express their independent opinions on the adjustment of profit distribution policy, which shall be submitted to the shareholders' meeting of the Company for approval in the form of a special resolution after consideration by the board of directors of the Company.

The objective of cash dividend policy is residual dividends. In the circumstances that the audit report of the Company for the most recent year sets out a non-unqualified opinion or an unqualified opinion with a paragraph on material uncertainties related to going concern, or the Company's gearing ratio at the end of the period is higher than 70%; or the Company's net operating cash flow or net cash flow for the year is negative; or the Company has other circumstances under which it may not distribute its profits as stipulated in the laws and regulations and the Articles of Association, the Company may not distribute profits.

In the circumstances that the Company does not realize profit for the year; or the Company's net operating cash flow or net cash flow for the year is negative; or the Company's gearing ratio at the end of the period is higher than 70%; or the Company has any major investment plan or significant cash expenditure in the next 12 months, and distributing cash dividend may cause the Company's cash flow to be unable to meet its operating or investment needs, the Company may not distribute cash dividend.

Major investment plan or significant cash expenditure refers to the following situations:

(I) the accumulated expenditure of the Company on proposed external investment, asset acquisition or equipment purchase within the next 12 months amounts to or exceeds 20% of the latest audited net assets of the Company;

(II) the accumulated expenditure of the Company on proposed external investment, asset acquisition or equipment purchase within the next 12 months amounts to or exceeds 15% of the latest audited total assets of the Company.

**Article 147** The profit distribution proposal of the Company shall be proposed and formulated by the Chairman of the Company based on the requirements of the Articles of Association, profitability, capital requirements and shareholders' return plan, then submitted for consideration and approval at a shareholders' meeting after consideration and approval by the board of directors and the Audit Committee. Independent non-executive directors shall express independent opinions on the profit distribution proposal.

**Article 148** The Audit Committee shall supervise the implementation of profit distribution policy, shareholders' return plan and decision-making procedure of the Company by the board of directors.

## Section 2 Internal Auditing

**Article 149** The Company implements an internal audit system which is equipped with full-time auditing staff to conduct internal audits for supervision of financial income and expenditure and economic activities of the Company.

**Article 150** The duties and responsibilities of the internal audit system and the audit staff of the Company shall be approved by the board of directors before implementation. The chief auditing officer is accountable, and reports, to the board of directors.

## Section 3 Engagement of Accounting Firm

**Article 151** The Company shall engage an accounting firm that complies with the requirements under the Securities Law or of the regulatory rules of the place where the shares of the Company are listed, and to provide services such as auditing of accounting statements, verification of net assets and other relevant consultation services. The term of engagement is one year and can be renewed.

**Article 152** The appointment, removal or non-renewal of the appointment of an accounting firm and its remuneration must be determined by the shareholders' meeting by ordinary resolutions. The Board may not appoint an accounting firm before it is approved by the shareholders' meeting.

**Article 153** The Company warrants that true and complete accounting documents, accounting ledgers and books, financial accounting reports and other accounting materials shall be provided to the engaged accounting firm, no refusal, concealment or false report is allowed.

**Article 154** The auditing fee of an accounting firm shall be decided upon by the shareholders' meeting.

**Article 155** Where the Company dismisses or does not reappoint an accounting firm, it shall notify the accounting firm 30 days in advance. The accounting firm is entitled to present its views to the shareholders' meeting when the proposal to dismiss the accounting firm is presented for voting at the shareholders' meeting of the Company.

Where an accounting firm proposes its resignation, it shall explain to the shareholders' meeting whether there are any irregularities in the Company.

## Chapter 8 Notices

**Article 156** Notices of the Company may be served through means as follows:

(I) delivery by hand;

(II) by fax;

(III) by post;

(IV) by email;

(V) by public announcement;

(VI) announcement on the website of the Company and websites designated by the Hong Kong Stock Exchange in accordance with the laws, administrative regulations and regulatory rules of the stock exchange where the Company's shares are listed;

(VII) other means approved by the securities regulatory authorities at the place where the shares of the Company are listed or as set out in the Articles of Association.

Where the Company issues a notice by public announcement, all relevant personnel shall be deemed to have received such notice once the public announcement has been made. Where the securities regulatory authorities at the place where the shares of the Company are listed shall otherwise provide, such provisions shall prevail.

**Article 157** In respect of the method by which the Company provides or sends corporate communications (as defined in the Hong Kong Listing Rules) to shareholders of overseas listed shares in accordance with the requirements of the Hong Kong Listing Rules, subject to the laws and regulations and listing rules of the place where the Company is listed as well as the Articles of Association, corporate communications may be provided or sent to shareholders of overseas listed shares by making announcement on the websites designated by the Company and/or the websites of the Hong Kong Stock Exchange or by other electronic means. Subject to the requirements of laws, regulations or regulatory rules of the place where the Company's shares are listed, the notice convening the shareholders' meeting shall be given by way of announcement on the website of the Company and the website of the Hong Kong Stock Exchange or other means stipulated hereof.

**Article 158** Any notice for convening a Board meeting shall be given by hand, fax, post, email, etc.

**Article 159** If the notice is served by hand, the date of service is the date of acknowledgement of receipt by signature or affixed seal on the service return slip. If the notice is sent by post, the date of service is the fifth working day from the date of delivery at the post office. If the notice is sent by fax, the date of service is the date of transmission. If the notice is sent by e-mail, the date of service is the date on which the email is successfully sent to the address specified by the recipient. If the notice is made by public announcement, the date of service is the date of the first publication of the public announcement.

**Article 160** Where relevant corporate documents must be in the English language and be accompanied by a Chinese version and be served through delivery, post, distribution, sending out, announcement or other means according to the requirements of securities regulatory authorities at the place where the shares of the Company are listed, in respect of shareholders who under proper arrangements by the Company confirm to receive such information only in English or Chinese version as well as to the extent of the applicable laws and regulations, the Company may send such documents in the English or Chinese version to relevant shareholders according to their prescribed wills.

**Article 161** The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.

**Article 162** The Company shall issue announcements and make information disclosures to shareholders of domestic shares through the website of the stock exchange and the information disclosure media that meet the requirements stipulated by the CSRC. If any announcement shall be issued to shareholders of overseas listed shares in accordance with relevant regulations, such announcement shall also be published in such manner as permitted in the regulatory rules of the place where the shares of the Company are listed. Information shall not be disclosed through any other public media by the Company before on the website of the stock exchange and the media that meet the requirements stipulated by the CSRC, and no corporate announcement shall be replaced by press release, answers to reporters' requests or other forms.

The board of directors shall have the right to change to any other media for Company disclosure; however, it shall ensure that the information disclosure media as so changed comply with such qualifications and conditions as specified by relevant laws, regulations, regulatory provisions, self-disciplinary rules and other relevant provisions.

## Chapter 9 Merger, Division, Capital Increase and Reduction, Dissolution and Liquidation

### Section 1 Merger, Division, Capital Increase and Reduction

**Article 163** The merger of the Company may be effected through merger by absorption or consolidation.

A merger by absorption occurs when a company absorbs other companies and the absorbed companies are dissolved. A consolidation occurs when not less than two companies are merged to establish a new company and the merging parties are dissolved.

**Article 164** In the event of merger of the Company, the parties involved in the merger shall execute a merger agreement and prepare a balance sheet and a list of assets. The Company shall inform the creditors in 10 days after the date of making the resolution of the merger and publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within 30 days. The creditors may, within 30 days after its receipt of notice or within 45 days of the announcement in the case of creditors that have not received notice, require the Company for settling its debt or providing relevant guarantee.

**Article 165** Upon a merger, the claims and debts of the parties to the merger shall be assumed by the subsisting company or the newly established company after the merger.

**Article 166** In the event of a spin-off of the Company, its properties shall be divided up accordingly.

For the spin-off of the Company, a balance sheet and property list shall be formulated. The Company shall inform the creditors in 10 days after the date of making the resolution of the spin-off and publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within 30 days.

**Article 167** Debts owed by the Company prior to the demerger shall be jointly assumed by the companies in existence after the demerger, save as otherwise agreed by written agreement with creditors prior to the demerger.

**Article 168** If the Company needs to reduce its registered capital, a balance sheet and property list should be prepared.

The Company shall inform the creditors in 10 days after the date of making the resolution of the reduction of registered capital and publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within 30 days. The creditors may, within 30 days after its receipt of notice or within 45 days of the announcement in the case of creditors that have not received notice, require the Company for settling its debt or providing relevant guarantee.

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

**Article 169** Where any of the registered items is changed during the process of merger or spin-off of the company, the Company shall go through modification registration with the company registration authority. If it is dissolved, it shall be deregistered according to the law. If any new company is established, it shall go through the procedures for company establishment according to the law.

When the Company increases or reduces registered capital, it should complete the procedures for change of registration with the company registration authority in accordance with the laws.

## Section 2 Dissolution and Liquidation

**Article 170** The Company may be dissolved in any of the following circumstances:

(I) the term of operation prescribed in the Articles of Association has expired or other conditions for dissolution as provided for in the Articles of Association have appeared;

(II) a resolution on dissolution has been adopted by the shareholders' meeting;

(III) dissolution is necessary for merger or division of the Company;

(IV) the business license of the Company is revoked or the Company is ordered to close down or is abolished according to law;

(V) where the Company runs into serious difficulties in operation and management, and its continuous existence may cause heavy losses to shareholders' interests, which cannot be solved in other ways, the shareholders holding over 10% of all the shareholders' voting rights of the Company may apply for dissolving the Company with the people's court.

In case that any of the said conditions for dissolution occurs to the Company, such condition shall be made public via the National Enterprise Credit Information Publicity System within 10 days.

**Article 171** In the circumstances of item (I) and item (II) of sub-paragraph (I) mentioned in Article 170 hereof, if no asset has been distributed to shareholders, the Company may continue to survive by amending the Articles of Association or by a resolution of the shareholders' meeting.

If the Articles of Association are amended according to the provisions of the preceding paragraph, such amendment must be approved by a resolution passed by not less than two-thirds of the voting rights held by shareholders attending the shareholders' meeting.

**Article 172** Where the Company is dissolved in accordance with items (I), (II), (IV) and (V) mentioned in Article 170 hereof, a liquidation group shall be established within 15 days upon occurrence of the condition for dissolution to carry out liquidation. The liquidation group shall be composed of the persons determined by the Directors or the shareholders' meeting. Where a liquidation obligor fails to fulfill its liquidation obligations in time, which causes losses to the Company or creditors, it shall be liable for indemnity. In case no liquidation group is established within the specified period to carry out liquidation, or liquidation is not carried out after establishment of the liquidation group, the interested parties may request the people's court to designate relevant persons to form a liquidation group and carry out liquidation.

**Article 173** The liquidation group exercises the following functions during the process of liquidation:

(I) liquidating the properties of the Company, and preparing a balance sheet and property list;

(II) informing creditors by notice or public announcement;

(III) disposing and liquidating the businesses of the Company that have not been completed;

(IV) clearing off the outstanding taxes and the taxes incurred in the process of liquidation;

(V) clearing off credits and debts;

(VI) allocating the residual properties of the Company after such debt clearing;

(VII) participating in the civil litigation on behalf of the Company.

**Article 174** The liquidation group shall notify creditors within 10 days of its establishment, and announce in a newspaper or via the National Enterprise Credit Information Publicity System within 60 days. Creditors shall claim their rights with the liquidation group within 30 days after the notifications are received or within 45 days starting from the date of announcement in cases in which notifications have not been received.

In claiming their rights, creditors shall specify the relevant matters about their rights and provide evidential materials in respect thereof. The liquidation group shall register the creditors' rights.

In the course of claiming of creditors' rights, the liquidation group shall not make any repayment to creditors.

**Article 175** After the liquidation group sorts out the Company's assets, prepares a balance sheet and an inventory of assets, it shall formulate a liquidation plan and present it to the shareholders' meeting or to the people's court for confirmation.

Any surplus assets of the Company's remaining after paying for liquidation cost, staff's salary, social insurance, statutory compensation, taxes payable and debts of the Company shall be distributed to shareholders in proportion to their shareholdings.

During the liquidation period, the Company remains in existence; however, it shall not carry out any business activity irrelevant with liquidation. The Company's assets shall not be distributed to its shareholders prior to repayment in accordance with the foregoing provision.

**Article 176** If, after sorting out the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation group finds out that the Company's assets are insufficient to repay its debts, it shall apply for insolvency liquidation with the people's court according to law.

After the people's court accepts the application for insolvency, the liquidation group shall hand over the liquidation affairs to the people's court.

**Article 177** After the completion of liquidation, the liquidation group shall prepare a liquidation report and submit it to the shareholders' meeting or the people's court for confirmation and to the company registration authority for canceling registration of the Company and make a public announcement about the termination of operation of the Company.

**Article 178** Members of the liquidation committee shall fulfill their obligations of liquidation with duties of loyalty and diligence.

Members of the liquidation committee who fail to perform their liquidation functions, and thereby causing losses to the Company, shall be liable for compensation; if losses are caused to the Company or its creditors due to intentional or gross negligence, they shall be liable for compensation.

**Article 179** If the Company is declared insolvency in accordance with the laws, liquidation shall be implemented pursuant to the laws on corporate winding up.

## Chapter 10 Amendment to the Articles of Association

**Article 180** The Company shall amend the Articles of Association in any of the following circumstances:

(I) the Articles of Association is contradictory to any provision of the amended version of the Company Law or other applicable laws, administrative regulations, or regulatory rules of the stock exchange where the Company's shares are listed;

(II) there is any change to the Company's situation, which is inconsistent with any matter recorded in the Articles of Association;

(III) the shareholders' meeting adopts a resolution for amendment of the Articles of Association.

**Article 181** Any amendment of the Articles of Association adopted by a resolution of the shareholders' meeting which is subject to approval by the competent authority shall be submitted to the competent authority for approval; if there is any change related to the registered particulars of the Company, procedures for change of registration shall be handled according to law.

**Article 182** The board of directors shall amend the Articles of Association according to the resolutions of the shareholders' meeting and the opinions of the relevant competent authority.

**Article 183** Any amendment to these Articles of Association which involves information to be disclosed as required by the law and regulations, shall be publicly announced as required.

## Chapter 11 Supplementary Provisions

**Article 184** In the Articles of Association, the terms "not less than", "within" and "not more than" shall include the given figure, and the terms "exceeding", "below", "less than", "beyond", and "more than" shall not include the given figure.

**Article 185** Definition

(I) A controlling shareholder means a shareholder who holds shares of more than 50% of the total share capital of the Company or who holds less than 50% of the total share capital but holds voting rights sufficient to have a material impact on resolutions of the shareholders' meeting. Where the definition of controlling shareholder is otherwise provided in the Hong Kong Listing Rules, such provisions shall prevail.

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

(III) "Related relationship" is the relationship between the controlling shareholder, de facto controller, directors or senior management, and enterprises directly or indirectly controlled by them, as well as other relationships which may possibly cause the transfer of the Company's interests. However, enterprises owned by the State will not be regarded as having associated relationship only because they are owned by the State. In this Articles of Association, the meaning of "related transaction(s) includes "connected transaction(s)" as defined in Hong Kong Listing Rules, the meaning of "related party(ies) in the Articles of Association includes "connected person(s)" as defined in Hong Kong Listing Rules, and the meaning of "related relationship in the Articles of Association includes "connected relationship" as defined in Hong Kong Listing Rules.

**Article 186** The board of directors may formulate the details of the Articles of Association in accordance with the provisions herein. The details of the Articles of Association shall not contravene the provisions of the Articles of Association.

**Article 187** The appendices to the Articles of Association include the Rules of Procedure for Shareholders' Meeting and the Rules of Procedure for Board meetings.

**Article 188** Any matters unspecified in the Articles of Association shall be implemented in accordance with the relevant provisions of national laws, regulations, normative documents and the regulatory rules of the place where the Company's shares are listed, including, but not limited to Hong Kong Listing Rules and Securities and Futures Ordinance of Hong Kong; in case of any conflict between the Articles of Association and the relevant provisions of laws, regulations, normative documents and the regulatory rules of the place where the Company's shares are listed to be promulgated in the future, such laws, regulations, normative documents and the regulatory rules of the place where the Company's shares are listed shall be followed, revised accordingly, and submitted to the shareholders' meeting for review and approval.

**Article 189** The Articles of Association shall take effect and put into force from the date of approval by a special resolution of the shareholders' meeting of the Company and the listing and trading of H shares publicly issued by the Company on the main board of Hong Kong Stock Exchange. Since the effective date of the Articles of Association, the original articles of association of the Company shall be automatically terminated.

**Article 190** The Articles of Association are in Chinese. If it conflicts with a version in any other language, the Chinese version which was most recently filed and registered at the market supervision and administration authority.

**Article 191** The board of directors shall be responsible for the interpretation of the Articles of Association.