

**ZHEJIANG LEAPMOTOR TECHNOLOGY CO., LTD.**

**ARTICLES OF ASSOCIATION**

Hangzhou  
June 2026

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# **ZHEJIANG LEAPMOTOR TECHNOLOGY CO., LTD. ARTICLES OF ASSOCIATION**

## **Chapter 1 General Provisions**

**Article 1** The Articles of Association is formulated in accordance with the Company Law of the PRC (the “Company Law”), the Securities Law of the PRC (the “Securities Law”), Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and other relevant provisions, for the purpose of safeguarding the legitimate rights and interests of the Company, its Shareholders, employees and creditors, and regulating the organization and activities of the Company.

**Article 2** The Company is a limited liability company by shares established in accordance with the Company Law and other relevant regulations (the “Company”). The Company was promoted, incorporated and converted from Zhejiang Leapmotor Technology Co., Ltd. (浙江零跑科技有限公司), and the original shareholders of Zhejiang Leapmotor Technology Co., Ltd. (浙江零跑科技有限公司) are the promoters of the Company.

**Article 3** The Company was approved by the China Securities Regulatory Commission on August 17, 2022 to issue 130,819,100 overseas listed foreign shares and to convert a total of 791,334,785 domestic unlisted shares into overseas listed foreign shares (hereinafter referred to as H Shares), and the H Shares were listed on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”) on September 29, 2022.

**Article 4** The registered name of the Company in Chinese is: 浙江零跑科技股份有限公司

The name of the Company in English is: Zhejiang Leapmotor Technology Co., Ltd.

**Article 5** Address of the Company: 1/F, No. 451 Wulianwang Street, Binjiang District, Hangzhou, Zhejiang Province. Post Code: 310051.

**Article 6** The registered capital of the Company is RMB1,421,812,652.

**Article 7** The Company is a limited liability company by Shares which exists on a perpetual basis.

**Article 8** The legal representative of the Company shall be a Director who executes the Company’s affairs on behalf of the Company and be elected by the Board. The chairman of the Board shall be the Director executing the Company’s affairs on behalf of the Company and the legal representative of the Company.

If the Chairman serving as the legal representative resigns, he/she shall be deemed to have resigned as the legal representative at the same time. Upon resignation of the legal representative, the Company shall determine a new legal representative within 30 days from the date of the resignation.

**Article 9** The legal consequences of civil activities performed by the legal representative in the name of the Company shall be borne by the Company.

The limitation on the functions and powers of the legal representative in the Articles of Association or by the general meeting shall not be asserted against a bona fide counterpart.

Where the legal representative causes damage to any other person in the performance of his/her duties, the Company shall bear civil liability for such damage. The Company may, after bearing such civil liability, seek indemnification from the legal representative at fault in accordance with laws or the Articles of Association.

**Article 10** The Company's total assets are divided into Shares of equal par value and Shareholders shall be accountable to the Company to the extent of their shareholding. The Company is liable for the debts of the Company with all of its assets.

The Company can invest in other companies with limited liability and joint stock limited companies by shares, and shall be accountable to the investees to the extent of its contribution.

**Article 11** From its effective date, the Articles of Association has constituted a legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and its Shareholders and among the Shareholders, with a legal binding effect on the Company and its Shareholders, Directors, Supervisors and senior management. In accordance with the Articles of Association, Shareholders may sue other Shareholders; Shareholders may sue Directors, Supervisors, general manager and other senior management of the Company; Shareholders may sue the Company; the Company may sue Shareholders, Directors, Supervisors, general manager and other senior management of the Company.

**Article 12** Other senior management referred to in the Articles of Association means those persons in the Company's organizational structure who assume the positions of deputy general managers as defined in the Company Law (hereinafter collectively referred to as the "deputy general manager"), the persons-in-charge of finance (known as the Chief Financial Officer of the Company and the same hereafter) and the secretary to the Board.

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

**Article 13** Business objectives of the Company: the Company upholds the values of "user-centric, integrity, responsibility, efficiency and innovation" and is committed to providing users with highly cost-effective products and travel experience to create a leading global new energy vehicle enterprise.

**Article 14** Business scope of the Company: development and design of new energy vehicles and vehicle accessories, production of new energy vehicles, production of vehicle accessories, sales of vehicles and vehicle accessories, development, technical services and sales of computer software, electronic products and communications products, technical consultation of computer application technology, training services (excluding organizing training courses), development, system integration and sales of network products as well as the engagement in import and export businesses. (Projects which require approval according to the laws shall commence operation once approved by relevant authorities.)

The business scope referred in the preceding paragraph is subject to review by company registration authorities.

The Company may adjust its business scope based on domestic and overseas market changes, business development and its capacity, and shall complete relevant procedures for industrial and commercial registration change in accordance with regulations.

## **Chapter 3 Shares**

### **Section 1 Issuance of Shares**

**Article 15** The Company's stock takes the form of Shares.

**Article 16** Issuance of Shares of the Company shall adopt the principles of openness, fairness and impartiality. Shares of the same class shall rank equally with one another.

For the same class of Shares issued in the same tranche, each Share shall be issued at the same price and subject to the same conditions. For Shares subscribed by subscribers, the amount paid for each Share shall be the same.

**Article 17** All the Shares issued by the Company shall have a par value denominated in Renminbi which shall be RMB1 for each Share.

**Article 18** Shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as Domestic Shares. Shares issued by the Company to foreign investors for subscription in foreign currencies shall be referred to as Foreign Shares. Issuance of Shares by the Company to domestic investors and overseas investors shall comply with the registration or filing procedures with the China Securities Regulatory Commission (the "CSRC") according to laws.

Overseas investors in the preceding paragraph refer to investors in foreign countries, the Hong Kong Special Administrative Region ("Hong Kong"), the Macao Special Administrative Region and Taiwan who subscribe for the Shares issued by the Company. Domestic investors refer to investors residing in the territory of the People's Republic of China other than the places referred to above who subscribe for the Shares issued by the Company.

Foreign currencies in the preceding paragraph means the legal currencies other than RMB of other countries or regions that are recognized by the State's foreign exchange administration authority which can be used to pay for subscription for the Shares of the Company.

Overseas listed foreign shares listed in Hong Kong and issued by the Company are known as H Shares. H Shares refer to the Shares approved to be listed on the Hong Kong Stock Exchange, whose par value is denominated in Renminbi and which are subscribed for and traded in Hong Kong dollars.

**Article 19** Subject to filing with the securities regulatory authorities under the State Council, the Unlisted Shares of the Company are convertible into Overseas Listed Foreign Shares, and may be listed and traded on overseas stock exchanges. If such Shares are listed and traded on overseas stock exchanges, the regulatory procedures, provisions and requirements of the overseas stock exchanges shall also be complied with. No Shareholders' general meeting is required to be convened for voting in respect of the conversion of Unlisted Shares into Overseas Listed Foreign Shares and the listing and trading of such Shares on overseas stock exchanges.

**Article 20** The promoters of the Company and number of Shares subscribed by the promoters and their shareholding percentage are as follows:

| No. | Name of promoter                                                                                                                                  | Number of Shares subscribed (0'000 Shares) | Percentage of shareholding | Form of investment | Time of investment |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|----------------------------|--------------------|--------------------|
| 1   | Zhu Jiangming                                                                                                                                     | 9,259.6398                                 | 11.7389%                   | Net asset          | April 6, 2021      |
| 2   | Fu Liquan                                                                                                                                         | 9,120.0000                                 | 11.5617%                   | Net asset          | April 6, 2021      |
| 3   | Zhejiang Dahua Technology Co., Ltd.                                                                                                               | 9,000.0000                                 | 11.4097%                   | Net asset          | April 6, 2021      |
| 4   | Guosen Securities Co., Ltd. (as the manager of "Guosen Securities Leapmotor Technology Employee Shareholding No. 1 Single Asset Management Plan") | 5,772.3164                                 | 7.3178%                    | Net asset          | April 6, 2021      |
| 5   | Ningbo Hualing Venture Capital Partnership (Limited Partnership)                                                                                  | 5,654.7741                                 | 7.1688%                    | Net asset          | April 6, 2021      |
| 6   | Shanghai Electric Hong Kong Co., Ltd                                                                                                              | 4,077.4720                                 | 5.1692%                    | Net asset          | April 6, 2021      |
| 7   | Ningbo Meishan Free Trade Zone Sequoia Zhisheng Capital Investment L.P.                                                                           | 3,743.1193                                 | 4.7453%                    | Net asset          | April 6, 2021      |
| 8   | Hangzhou Hanzhi Investment L.P.                                                                                                                   | 3,663.8186                                 | 4.6448%                    | Net asset          | April 6, 2021      |
| 9   | Jinhua Yuxuan Smart IoT New Energy Partnership (Limited Partnership)                                                                              | 2,935.7798                                 | 3.7218%                    | Net asset          | April 6, 2021      |
| 10  | Ningbo Huayang Investment Management Partnership (Limited Partnership)                                                                            | 2,400.0000                                 | 3.0426%                    | Net asset          | April 6, 2021      |
| 11  | Ningbo Gulin Equity Investment Partnership (Limited Partnership)                                                                                  | 2,091.7431                                 | 2.6518%                    | Net asset          | April 6, 2021      |
| 12  | Zhoushan Haohai Venture Capital Partnership (Limited Partnership)                                                                                 | 2,056.6939                                 | 2.6074%                    | Net asset          | April 6, 2021      |
| 13  | Changsha Nuofeng Private Equity Fund Partnership (Limited Partnership)                                                                            | 1,451.7839                                 | 1.8405%                    | Net asset          | April 6, 2021      |
| 14  | Wenzhou Qiangpao Equity Investment L.P.                                                                                                           | 1,440.0000                                 | 1.8256%                    | Net asset          | April 6, 2021      |
| 15  | Huzhou Jingxin Equity Investment Partnership (Limited Partnership)                                                                                | 1,354.9983                                 | 1.7178%                    | Net asset          | April 6, 2021      |

| No. | Name of promoter                                                                         | Number of Shares subscribed (0'000 Shares) | Percentage of shareholding | Form of investment | Time of investment |
|-----|------------------------------------------------------------------------------------------|--------------------------------------------|----------------------------|--------------------|--------------------|
| 16  | Ningbo Jinghang Enterprise Management Partnership (Limited Partnership)                  | 1,280.6500                                 | 1.6236%                    | Net asset          | April 6, 2021      |
| 17  | Hangzhou Jingbo Equity Investment Partnership (Limited Partnership)                      | 1,080.0000                                 | 1.3692%                    | Net asset          | April 6, 2021      |
| 18  | Wanzai Mingzhao Consulting Service Center (Limited Partnership)                          | 1,080.0000                                 | 1.3692%                    | Net asset          | April 6, 2021      |
| 19  | Chen Jinxia                                                                              | 1,027.6248                                 | 1.3028%                    | Net asset          | April 6, 2021      |
| 20  | Huzhou Heninghai Equity Investment Partnership (Limited Partnership)                     | 980.9220                                   | 1.2436%                    | Net asset          | April 6, 2021      |
| 21  | Hefei Xuanyizhahui New Energy Industry Investment Fund Partnership (Limited Partnership) | 967.8559                                   | 1.2270%                    | Net asset          | April 6, 2021      |
| 22  | Jing Hua                                                                                 | 720.0000                                   | 0.9128%                    | Net asset          | April 6, 2021      |
| 23  | Xu Wei                                                                                   | 720.0000                                   | 0.9128%                    | Net asset          | April 6, 2021      |
| 24  | Huzhou Yipu Enterprise Management Partnership (Limited Partnership)                      | 550.4587                                   | 0.6978%                    | Net asset          | April 6, 2021      |
| 25  | Gao Dong                                                                                 | 510.5403                                   | 0.6472%                    | Net asset          | April 6, 2021      |
| 26  | Ningbo Meishan Free Trade Port Zone Xingmao Investment Management L.P.                   | 483.9280                                   | 0.6135%                    | Net asset          | April 6, 2021      |
| 27  | Zhejiang Mituo Investment Co., Ltd.                                                      | 456.7856                                   | 0.5791%                    | Net asset          | April 6, 2021      |
| 28  | Hangzhou Qianyuyongzhen Investment Partnership (Limited Partnership)                     | 440.3670                                   | 0.5583%                    | Net asset          | April 6, 2021      |
| 29  | Ma Tingqi                                                                                | 440.3670                                   | 0.5583%                    | Net asset          | April 6, 2021      |
| 30  | Industrial Securities Investment Management Limited                                      | 407.7472                                   | 0.5169%                    | Net asset          | April 6, 2021      |
| 31  | Hangzhou Xintu Technology Co., Ltd.                                                      | 407.7472                                   | 0.5169%                    | Net asset          | April 6, 2021      |
| 32  | Ningbo Sequoia Jiesheng Equity Investment Partnership (Limited Partnership)              | 407.7472                                   | 0.5169%                    | Net asset          | April 6, 2021      |
| 33  | Hangzhou Junyi Venture Capital Partnership (Limited Partnership)                         | 360.0000                                   | 0.4564%                    | Net asset          | April 6, 2021      |

| No.          | Name of promoter                                                              | Number of Shares subscribed (0'000 Shares) | Percentage of shareholding | Form of investment | Time of investment |
|--------------|-------------------------------------------------------------------------------|--------------------------------------------|----------------------------|--------------------|--------------------|
| 34           | Hangzhou Yisheng Investment Partnership (Limited Partnership)                 | 360.0000                                   | 0.4564%                    | Net asset          | April 6, 2021      |
| 35           | Geng Yongping                                                                 | 360.0000                                   | 0.4564%                    | Net asset          | April 6, 2021      |
| 36           | Hangzhou Yueyou Canal Industrial Investment Partnership (Limited Partnership) | 330.2752                                   | 0.4187%                    | Net asset          | April 6, 2021      |
| 37           | Hangzhou Qian Yao Investment Partnership (Limited Partnership)                | 261.3211                                   | 0.3313%                    | Net asset          | April 6, 2021      |
| 38           | Shanghai Xiangheyongyuan Equity Investment Partnership (Limited Partnership)  | 241.9640                                   | 0.3067%                    | Net asset          | April 6, 2021      |
| 39           | Zhang Wenjun                                                                  | 241.9640                                   | 0.3067%                    | Net asset          | April 6, 2021      |
| 40           | Central SOEs Industrial Investment Fund for Rural Area Co., Ltd.              | 241.9640                                   | 0.3067%                    | Net asset          | April 6, 2021      |
| 41           | Hangzhou Chunsheng Investment Co., Ltd.                                       | 241.9640                                   | 0.3067%                    | Net asset          | April 6, 2021      |
| 42           | Gao Yanfeng                                                                   | 241.9640                                   | 0.3067%                    | Net asset          | April 6, 2021      |
| 43           | Everfront Phoenix Mountain Ltd.                                               | 13.9620                                    | 0.0177%                    | Net asset          | April 6, 2021      |
| <b>Total</b> |                                                                               | <b>78,880.2584</b>                         | <b>100%</b>                | –                  | –                  |

**Article 21** The total number of Shares of the Company is 1,421,812,652, all of which are ordinary Shares.

**Article 22** The Company or its subsidiaries (including affiliates of the Company) shall not, by means of a gift, advance, guarantee, borrowing, provide any financial assistance to others for the acquisition of Shares of the Company or its parent company unless it carries out an employee shareholding plan.

For the benefits of the Company, the Company may, upon a resolution by the general meeting or by the Board of Directors under the Articles of Association or the authorization of the general meeting, provide financial assistance to others for the acquisition of shares in the Company or its parent company, provided that the total accumulative amount of the financial assistance shall not exceed 10% of the total issued share capital. A resolution by the Board of Directors shall be adopted by more than two thirds of all the Directors.

Where the violation of the preceding two paragraphs causes losses to the Company, the liable Directors, Supervisors and senior management personnel shall be liable for compensation.

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

**Article 23** Based on its operation and development needs and in accordance with provisions under laws and administrative regulations, the Company may increase its capital in the following manners upon separate resolutions at the general meeting:

- (I) issuing shares to unspecified parties;
- (II) issuing shares to specific targets;
- (III) bonus issue of Shares to existing Shareholders;
- (IV) conversion of reserve into equity;
- (V) other means as permitted by laws and administrative regulations or as approved by relevant regulators.

The Company's issuance of new Shares to increase capital shall, upon approval according to the Articles of Association and the listing rules of the place where the Company's Shares are listed, be carried out in accordance with the procedures stipulated by relevant national laws, administrative regulations, departmental rules and the listing rules of the place where the Company's Shares are listed.

**Article 24** The Company may reduce its registered capital. The Company's reduction of registered capital shall be carried out in accordance with the Company Law and other relevant requirements, and the procedures set forth in the Articles of Association.

**Article 25** The Company may acquire the Shares of the Company in accordance with provisions under laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association under the following circumstances:

- (I) to reduce the registered capital of the Company;
- (II) to merge with another company that holds the Shares of the Company;
- (III) to use Shares for the Employee Shareholding Plan or as equity incentives;
- (IV) a Shareholder requesting the Company to purchase the Shares held by him/her since he/she objects to a resolution of the general meeting on the combination or division of the Company;
- (V) to use Shares for conversion into such corporate bonds issued by the listed company that can be converted into stocks;
- (VI) as deemed necessary by the Company to protect its corporate value and the rights and interests of shareholders;

- (VII) other circumstances prescribed by laws, administrative regulations, departmental rules, the Codes on Takeovers and Mergers and Share Buy-backs of Hong Kong, the Hong Kong Listing Rules and the regulatory rules of the place where the Company's Shares are listed.

The Company shall not engage in activities of trading in the Shares of the Company except in the circumstances described above.

**Article 26** The Company purchasing its own Shares under any of the circumstances set forth in items (I) and (II) of Article 25 of the Articles of Association shall be subject to a resolution at the general meeting; and the Company purchasing its own Shares under any of the circumstances set forth in items (III), (V) or (VI) of Article 25 of the Articles of Association may, pursuant to the provisions under the Articles of Association or the authorization of the general meeting, be subject to a resolution of a meeting of the Board at which more than two-thirds of Directors are present.

After purchasing its own Shares pursuant to the provisions of Article 25 of the Articles of Association, the Company shall, under the circumstance set forth in item (I), cancel them within 10 days after the purchase; while under the circumstance set forth in either item (II) or (IV), transfer or cancel them within six months.

Where the Company purchases its Shares under the circumstance set forth in item (III), (V) or (VI) of Article 25 of the Articles of Association, it shall not hold in aggregate more than 10% of all the Shares issued by the Company, and shall transfer or cancel them within three years.

**Article 27** The Company may acquire its Shares by means of public and centralized trading or other ways approved by laws and regulations and the CSRC.

Where the Company purchases its Shares under the circumstance set forth in item (III), (V) or (VI) of Article 25 of the Articles of Association, the repurchase shall be conducted through public centralized trading.

**Article 28** If the Company has to cancel the Shares after the repurchase in accordance with the law, it shall cancel such part of the Shares within the period prescribed by laws and regulations and apply to the company registration authority to amend the registration as to registered capital.

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

### **Section 3 Share Transfer**

**Article 29** Except as otherwise provided for by laws, administrative regulations or the listing rules of the place where the Company's Shares are listed, the paid-up Shares of the Company's share capital may be freely transferred.

The transfer of H Shares listed in Hong Kong is subject to registration with the local stock registration agency entrusted by the Company in Hong Kong.

**Article 30** The Company does not accept the Company's Shares as a pledge object.

**Article 31** Shares already issued by the Company before public offering shall not be transferred within one year after the Shares of the Company are listed and traded on the stock exchange. Where the transfer of the Company's Shares held by the shareholders or its de facto controllers of listed companies is otherwise stipulated by laws, administrative regulations, or requirements by the securities regulatory authorities under the State Council, such provisions shall prevail.

The Directors, Supervisors and senior management personnel of the Company shall declare to the Company the number of its Shares held by them and the alternation of such Shares. During their term of office determined at the time of his/her assumption of office, they shall not transfer more than 25% of the total number of the Company's Shares they held for a year or transfer any Shares of the Company within one year from the date when the Company's Shares are listed for trading. Within six months of their departure, the aforesaid personnel shall not transfer the Company's Shares held by them. Where such transfer restriction involves H Shares, the relevant provisions under the Hong Kong Listing Rules shall be complied with.

If the Shares are pledged during the transfer restriction period prescribed by laws and administrative regulations, the pledgee shall not exercise the pledge right during such transfer restriction period.

#### **Section 4 Share Certificates and Register of Shareholders**

**Article 32** The Company shall establish a register of Shareholders based on the certificates provided by the security registration authority and according to the requirements of applicable laws and regulations. The register of Shareholders shall be the sufficient evidence of the Shareholders' shareholding in the Company.

**Article 33** The Company shall have a complete register of Shareholders. The register of Shareholders shall comprise the following parts:

- (I) a register of Shareholders maintained at the Company's domicile, which shall be the register of all Shareholders other than those registered in accordance with paragraphs (II) and (III) of this Article;
- (II) a register of Shareholders of H Shares maintained at the stock exchange of the place of overseas listing;
- (III) such registers of Shareholders maintained in such other places as the Board may deem necessary for listing purposes.

**Article 34** Where laws, regulations, the security regulatory authority or the stock exchange of the place where the Company's Shares are listed provide otherwise for the period during which the registration of the transfer of Shares is suspended before the general meeting or the base date of the Company's decision to distribute dividends, such provisions shall apply.

**Article 35** A Shareholder of H Shares who has lost his/her share certificate and applies for a replacement certificate to be issued may do so in accordance with the laws, the rules of the stock exchange or other relevant requirements of the place where the original register of Shareholders of H Shares is maintained.

## **Chapter 4 Shareholders and General Meeting**

### **Section 1 Shareholders**

**Article 36** Shareholders shall enjoy rights and assume obligations according to the class of Shares held by them. Shareholders holding the same class of Shares shall enjoy equal rights and assume the same obligations.

**Article 37** When the Company convenes a general meeting, distributes dividends, commences liquidation or participates in other activities which require the confirmation of Shareholders' identities, the Board or the convener of the general meeting shall fix a date as the date for the determination of shareholdings. Shareholders whose names appear on the register of Shareholders at the closing of that date will be the Shareholders of the Company with related interests.

**Article 38** The Company shall, in accordance with the provisions of the Articles of Association, protect the Shareholders' rights to know, participate, vote and inquire on the necessary affairs of the Company to the maximum extent.

**Article 39** The holders of ordinary Shares of the Company shall enjoy the following rights:

- (I) to receive dividends and other forms of profit distribution in proportion to the number of Shares held by them;
- (II) to request, convene, host, attend or appoint proxies to attend general meetings, to speak at the general meeting and exercise corresponding voting rights in accordance with laws;
- (III) to supervise the operation of the Company and to put forward proposals or raise inquiries;
- (IV) to transfer, donate, or pledge Shares held by them in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association;
- (V) to inspect and duplicate the Articles of Association, the register of Shareholders, corporate bond counterfoils, minutes of general meetings, resolutions of meetings of both the Board of Directors and the Board of Supervisors as well as financial and accounting reports disclosed to the public, and the shareholders who meet the requirements could inspect the Company's accounting records and vouchers;

- (VI) in the event of the termination or liquidation of the Company, to participate in the distribution of the residual property of the Company in proportion to the number of Shares held;
- (VII) to demand the Company to acquire their Shares (for Shareholders who disagree with the resolutions adopted at a general meeting in relation to the merger or division of the Company);
- (VIII) such other rights as stipulated by laws, administrative regulations, departmental rules, the listing rules of the place where the Company's Shares are listed or the Articles of Association.

**Article 40** Where Shareholders request for inspection and duplication of the relevant information or demand for materials mentioned in the preceding Article, they shall provide the Company with written documents evidencing the class and number of Shares of the Company held by them and information usage and confidentiality commitment. Upon verification of the Shareholder's identity and relevant documents, the Company shall provide information requested by such Shareholder upon data desensitization in accordance with the Company Law, the Securities Law and other relevant laws, administrative regulations and departmental rules.

If a shareholder who holds more than 3% of the Company's Shares individually or collectively for more than 180 consecutive days requests to inspect the Company's accounting books and accounting vouchers, he or she shall submit a written request to the Company stating the purpose. If the Company has a reasonable basis to believe that the shareholder's inspection of accounting books and accounting vouchers has an improper purpose and may harm the legitimate interests of the Company, it may refuse to provide such inspection, and shall reply to the shareholder in writing and explain the reasons within 15 days from the date of the shareholder's written request. If the Company refuses to provide inspection, the shareholder may file a lawsuit with the People's Court.

The shareholder may retain an accounting firm, a law firm, or any other intermediary to inspect the materials specified in the preceding paragraph.

The shareholder and the accounting firm, law firm, or other intermediary retained by it shall comply with the provisions of laws and administrative regulations on the protection of state secrets, trade secrets, personal privacy, and personal information, among others, when inspecting the relevant materials.

If a shareholder requests for inspection or reproduction of the relevant materials of the Company's wholly-owned subsidiary, the provisions of this Article shall apply.

**Article 41** Resolutions of the general meeting and Board of Directors of the Company shall be deemed invalid if any of the following circumstances apply:

- (I) the resolution is made without convening a general meeting or a meeting of the Board of Directors;
- (II) no votes were taken on the resolutions at the general meeting and that of the Board of Directors;
- (III) the number of persons attending the meeting or the number of votes they hold does not meet with the number of persons or the number of votes as required by the Company Law or the Articles of Association;
- (IV) the number of persons agreeing on the resolutions or the number of votes they hold does not meet with the number of persons or the number of votes as required by the Company Law or the Articles of Association.

Where a resolution of a general meeting of the Company is declared invalid, revoked or confirmed to be invalid by the People's Court, the Company shall apply to the company registration authority for revocation of the registration that has been processed pursuant to such resolution. However, the civil legal relationship established between the Company and a bona fide counterpart based on such resolution may not be affected.

**Article 42** Shareholders shall have the rights to protect their lawful rights through civil action or other legal means in accordance with laws and administrative regulations.

**Article 43** A resolution of a general meeting or meeting of the Board of Directors of the Company that violates laws or administrative regulations shall be invalid.

If the convening procedures or voting method of a general meeting or meeting of the Board of Directors violate laws, administrative regulations or the Articles of Association, or the contents of any resolution violate the Articles of Association, Shareholders shall have the right to submit a petition to the People's Court to revoke the resolution within 60 days from the date on which such resolution is adopted. Unless there is only a slight defect in the procedure of convening or the method of voting at the general meetings or the Board meetings, which has no substantive impact on the resolutions.

Where the Board of Directors, Shareholders and other stakeholders dispute the validity of a resolution of a general meeting, they shall promptly commence litigation at the People's Court. Before the People's Court makes a judgement or ruling, such as a cancellation of a resolution, the stakeholders shall execute the resolution of the general meeting. The Company, its directors and senior management members shall perform their duties diligently to ensure the normal operation of the Company.

A shareholder who has not been notified to attend the general meeting may petition the People's Court to revoke such resolution within 60 days from the date on which he/she knows or should know that the resolution is made at the general meeting; if the right of revocation is not exercised within one year from the date on which the resolution is made, the right of revocation shall be extinguished.

**Article 44** If a Director or a senior management member contravenes the provisions of laws, administrative regulations or the Articles of Association when carrying out his/her duties in the Company and results in losses to the Company, Shareholders individually or collectively holding more than 1% of Shares for over 180 consecutive days, have the right to request the Board of Supervisors in writing to commence litigation at the People's Court. If a Supervisor contravenes the provisions of laws, administrative regulations and the Articles of Association when carrying out his/her duties in the Company and results in losses to the Company, Shareholders can request the Board of Directors in writing to commence litigation at the People's Court.

If the Board of Supervisors or the Board of Directors refuses to commence litigation after receiving the Shareholders' written request in the preceding paragraph or fails to commence litigation within 30 days of receiving the request, or the situation is so urgent that no immediate commencement of litigation will cause irreparable losses to the Company, the Shareholders under the previous paragraph may commence litigation in their own names at the People's Court in the interest of the Company.

If any other person contravenes the legal interests of the Company and leads to the losses of the Company, a Shareholder under the first paragraph of this Article may commence litigation at the People's Court in accordance with the two preceding paragraphs.

If the Directors, Supervisors or senior management members of a wholly-owned subsidiary of the Company are involved in any of the circumstances set forth in the this paragraph, or if any other person infringes upon the legitimate rights and interests of a wholly-owned subsidiary of the Company and causes losses, Shareholders who have held, individually or in aggregate, more than 1% of the shares of the Company for more than 180 consecutive days may, in accordance with the provisions of the preceding three paragraphs, request, in writing, that the Board of Supervisors or the Board of Directors of the wholly-owned subsidiary may commence litigation at the People's Court, or may directly commence litigation in their own names at the People's Court.

**Article 45** If a Director or a senior management member contravenes the provisions of laws, administrative regulations or the Articles of Association and results in losses to Shareholders, Shareholders may commence litigation at the People's Court. If a controlling shareholder or de facto controller of the Company instructs a director or a senior management member to act in a manner detrimental to the Company or Shareholders' interests, such shareholder/controller shall bear joint and several liability with such director or senior management member.

**Article 46** Holders of ordinary Shares of the Company shall undertake the following obligations:

- (I) to abide by laws, administrative regulations and the Articles of Association;
- (II) to pay subscription fees based on the Shares subscribed by them and the method of capital contribution;
- (III) not to withdraw its share capital except in such circumstances as prescribed by laws and regulations;
- (IV) not to abuse Shareholders' rights to damage the interests of the Company or other Shareholders; and not to abuse the independent status of the Company as a legal person and the limited liabilities of the Shareholders to damage the interests of the creditors of the Company;

Shareholders of the Company who abuse their Shareholders' rights and result in losses to the Company or other Shareholders shall bear compensation in accordance with laws.

Shareholders of the Company who abuse the independent status of the Company as a legal person and the limited liabilities of the Shareholders to escape from debts and thereby seriously damage the interests of the Company's creditors shall jointly and severally bear the Company's debts.

- (V) other obligations imposed by laws, administrative regulations and the Articles of Association.

Shareholders shall not bear any liability for further contribution to share capital other than the conditions agreed to by the subscriber of such Shares on subscription.

**Article 47** Where a relevant Shareholder and a de facto controller pledges any Shares of the Company in his/her possession, he/she shall notify the Company in a timely manner and report the same to the stock exchange where the Shares of the Company are listed under the listing rules of the place where the Shares of the Company are listed for disclosure.

**Article 48** The controlling Shareholder or the de facto controller of the Company shall not use their connected relationship to prejudice the interests of the Company. Where he/she violates such provisions and results in loss to the Company, he/she shall be liable to compensate the Company for the losses thereof.

The controlling Shareholder and the de facto controller of the Company have the obligation of honesty towards the Company and other Shareholders of the Company. The controlling Shareholder shall exercise his/her rights as a capital contributor strictly in accordance with laws. The controlling Shareholder shall not make use of methods such as the distribution of profits, restructuring of assets, external investment, misappropriation of assets, guarantee for borrowings to damage the legal rights and interests of the Company and other Shareholders of the Company, and he/she shall not make use of his/her controlling position to damage the interests of the Company and other Shareholders of the Company.

## **Section 2 General Provisions of the General Meeting**

**Article 49** The general meeting is the organ of authority of the Company and shall exercise the following powers:

- (I) to elect and replace the Directors and Supervisors that are not employee representatives, and to decide on the matters relating to the remuneration of Directors and Supervisors;
- (II) to consider and approve the reports of the Board of Directors;
- (III) to consider and approve the reports of the Board of Supervisors;
- (IV) to consider and approve the Company's profit distribution and loss recovery plans;
- (V) to resolve on any increase or reduction of the registered capital and the issuance of any kind of Shares, warrants and other similar securities by the Company;
- (VI) to resolve on the issuance of debentures by the Company;
- (VII) to resolve on merger, division, dissolution and liquidation of the Company or change of its corporate form;
- (VIII) to amend the Articles of Association;
- (IX) to consider the proposal by a Shareholder who holds, individually or in aggregate, more than 3% of the Shares with voting rights of the Company;
- (X) to resolve on the appointment or dismissal of accounting firms by the Company;
- (XI) to consider and approve the guarantee matters specified in Article 50 of the Articles of Association;
- (XII) to consider the acquisition or disposal of significant assets within one year which accounts for more than 30% of the latest audited total assets of the Company;
- (XIII) to consider and approve the changes in the use of proceeds;
- (XIV) to consider other matters which, according to laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or the Articles of Association, should be resolved by the Shareholders at general meetings.

The abovementioned powers of the general meeting may not be exercised by the Board of Directors or other bodies and individuals on their behalf by delegation, but the Board of Directors or Directors may be authorized to handle or implement relevant resolutions when the general meeting votes on and approves relevant resolutions.

**Article 50** The following external guarantees to be provided by the Company shall be considered and approved at the general meeting:

- (I) Any provision of guarantee, where the total amount of external guarantees provided by the Company and its controlled subsidiaries reaches or exceeds 50% of the latest audited net assets;
- (II) Provision of guarantee to anyone whose liability-asset ratio exceeds 70%;
- (III) Provision of a single guarantee the amount of which exceeds 10% of the latest audited net assets;
- (IV) Any guarantee, the amount of which on a cumulative basis for twelve consecutive months, exceeds of 30% of the latest audited total assets of the Company;
- (V) Provision of guarantee to Shareholders, de facto controllers and their connected parties;
- (VI) Other guarantees required to be considered at the general meeting according to laws, administrative regulations, normative documents and the Articles of Association;
- (VII) Other guarantees provided by the stock exchange where the Company's Shares are listed or the Articles of Association.

When the general meeting considers the matters related to the guarantee in item (IV) of the preceding paragraph, it shall be approved by more than two-thirds of the voting rights held by Shareholders present at the meeting.

When the general meeting considers the matters related to providing guarantee for any Shareholders, de facto controller or other connected persons, the said Shareholder or the Shareholders controlled by the said de facto controller shall abstain from voting on the proposal, and the proposal shall be subject to approval by more than half of the voting rights held by the other attending Shareholders.

The "external guarantee" mentioned in the Articles of Association refers to the guarantee provided by the Company for other parties, including the guarantee provided by the Company to its controlling subsidiaries. The "total amount of the external guarantees provided by the Company and its controlling subsidiaries" refers to the sum of the total amount of the external guarantees provided by the Company (including the guarantees provided to its controlling subsidiaries) and the total amount of the external guarantees provided by the controlling subsidiaries.

Where the Company provides a guarantee for its wholly-owned subsidiary, or for a holding subsidiary and other Shareholders of the holding subsidiary provide a guarantee in the same proportion of their rights and interests, without prejudice to the interests of the Company, application of the provisions of the items (I) to (III) of this Article may be exempted.

**Article 51** The Company shall perform corresponding approval decision procedures and make disclosure of the transactions required to be disclosed by the stock exchange where the Shares of the Company are listed in accordance with the Hong Kong Listing Rules.

**Article 52** General meetings comprise annual general meetings and extraordinary general meetings. Annual general meetings shall be convened once every year within six months after the conclusion of the previous accounting year.

**Article 53** The Board shall convene an extraordinary general meeting within two months upon the occurrence of any of the following circumstances:

- (I) when the number of Directors is less than the number as stipulated in the Company Law or two-thirds of the number prescribed in the Articles of Association;
- (II) when the unrecovered losses of the Company amount to one-third of the total amount of its share capital;
- (III) under the request of Shareholder(s) individually or in aggregate holding more than 10% of the Company's Shares;
- (IV) when the Board of Directors considers necessary;
- (V) when the Board of Supervisors proposes to convene a meeting;
- (VI) when more than 2 independent non-executive Directors so request;
- (VII) other circumstances as stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or the Articles of Association.

**Article 54** The Company shall convene a general meeting at the place where the Company domiciled or otherwise specified in the notice of the meeting. The general meeting shall have a venue and be held on-site. Without violating laws and regulations and the mandatory provisions of the listing rules of where the Company is listed, the Company may also provide convenience for Shareholders to attend the general meeting through the Internet participation, online voting or other means. Shareholders who participate the meeting in the aforesaid manner shall be deemed to be presented.

### **Section 3   Calling of General Meetings**

**Article 55** A general meeting shall be convened by the Board of Directors, and presided over by the chairman of the Board of Directors. In the event that the chairman cannot or does not perform his/her duties, a Director nominated by more than half of the Directors shall preside over the meeting.

Where the Board of Directors cannot or does not perform its duties to convene the general meeting, the Board of Supervisors shall convene and preside over such meeting in a timely manner. If the Board of Supervisors fails to convene and preside over such meeting, Shareholders individually or in aggregate holding 10% or more of the Company's shares for more than 90 consecutive days may unilaterally convene and preside over a general meeting.

The Board of Directors, or the Board of Supervisors or Shareholders responsible for convening the general meeting in accordance with the provisions of the Company Law or the Articles of Association, shall be the convener of the general meeting.

**Article 56** The Board of Supervisors shall be entitled to make a proposal in writing to the Board of Directors on convening an extraordinary general meeting. The Board of Directors shall give a written reply on whether to agree to convene such meeting within 10 days upon receipt of the proposal in accordance with laws, administrative regulations and the Articles of Association.

Where the Board of Directors agrees to convene the extraordinary general meeting, it shall issue a notice of convening the general meeting within 5 days upon the date of the resolution of the Board of Directors. Any changes made to the original proposal in the notice shall be agreed by the Board of Supervisors.

Where the Board of Directors disagrees to convene such a meeting, or fails to reply within 10 days upon receipt of the proposal, it shall be deemed that the Board of Directors cannot or does not perform its duty of convening the general meeting, and the Board of Supervisors may convene and preside over it by itself.

**Article 57** Shareholder(s) individually or in aggregate holding more than 10% of Shares of the Company are entitled to request the Board of Directors in writing to convene an extraordinary general meeting. The Board of Directors shall, in accordance with the requirements of laws, administrative regulations and the Articles of Association, reply with a written opinion to state whether it agrees to convene an extraordinary general meeting within 10 days upon receipt of the request.

Where the Board of Directors agrees to convene the extraordinary general meeting, it shall issue a notice of convening the general meeting within 5 days after the date of the resolution of the Board of Directors. Any changes made to the original proposal in the notice shall be agreed by the Relevant Shareholders.

Where the Board of Directors disagrees to convene the extraordinary general meeting, or does not reply within 10 days upon receipt of the proposal, Shareholders individually or in aggregate holding more than 10% of the Shares of the Company are entitled to request the Board of Supervisors in writing to convene an extraordinary general meeting.

Where the Board of Supervisors agrees to convene the extraordinary general meeting, it shall issue a notice of convening the general meeting within 5 days upon receiving the request. Any changes made to the original proposal in the notice shall be agreed by the Relevant Shareholders.

If the Board of Supervisors fails to issue a notice of general meeting within the prescribed time limit, it shall be deemed that the Board of Supervisors does not convene and preside over the general meeting, and Shareholders holding individually or in aggregate more than 10% of the Shares of the Company for more than 90 consecutive days can convene and preside over the general meeting by themselves.

**Article 58** Where the Board of Supervisors or Shareholders decide to convene a general meeting on their own, they must notify the Board of Directors in writing. Before the resolution of the general meeting is made, the Shareholders convening the meeting shall hold no less than 10% of the Shares.

**Article 59** With regard to the general meeting convened by the Board of Supervisors or Shareholders on their own, the Board of Directors and the secretary to the Board of Directors shall provide assistance. The Board of Directors shall provide relevant registers of members.

**Article 60** The Company shall bear costs and expenses necessary for the general meeting convened by the Board of Supervisors or Shareholders on their own.

#### **Section 4 Proposal and Notice of General Meeting**

**Article 61** The contents of a proposal shall be within the functions and powers of the general meeting, shall have definite issues for discussion and specific resolutions, and shall comply with the relevant provisions of the laws, administrative regulations, Hong Kong Listing Rules and the Articles of Association.

**Article 62** When the Company convenes a general meeting, the Board of Directors, the Board of Supervisors and the Shareholders individually or in aggregate holding more than 1% of the Company's Shares shall have the right to make proposals to the Company.

Shareholders individually or in aggregate holding more than 1% of the Company's Shares may submit an interim proposal to the convener in writing 10 days before the general meeting. The temporary proposal shall have definite subjects and specific matters to be resolved. The convener shall supplement the notice of general meeting in two days after receiving the proposal and publicize the content of the temporary proposal, and submit the temporary proposal to the general meeting for consideration, except where the temporary proposal is in violation of laws, administrative regulations or the Articles of Association, or does not fall into the terms of reference of the general meeting. If the general meeting is required to be postponed due to the publication of a supplemental notice of general meeting in accordance with the securities regulatory rules of the place where the Company's Shares are listed, the convening of the general meeting shall be postponed in accordance with the securities regulatory rules of the place where the Company's Shares are listed.

Except for the circumstances specified in the preceding paragraph, the convener shall not modify the proposals listed in the notice of general meeting or add new proposals after issuing the notice of general meeting.

For proposals that are not listed in the notice of general meeting or that do not meet the requirements of Article 61 of the Articles of Association, the general meeting shall not vote and make resolutions thereon.

**Article 63** Where the general meeting is convened by the Company, it shall issue a written notice at least 21 days prior to the annual general meeting or at least 15 days prior to the extraordinary general meeting, to notify all the registered Shareholders of the matters proposed to be considered as well as the date and place of the meeting.

Where laws, regulations, the securities regulatory authority of the place where the Company's Shares are listed or the stock exchange provide otherwise, such provisions shall prevail.

**Article 64** Unless otherwise stipulated in the Articles of Association, the notice of general meeting shall be sent to Shareholders (regardless of whether they have voting rights at the general meeting) by hand or mail with prepaid postage, and the address of the recipient shall be the address registered in the register of Shareholders.

For domestic Shareholders, the notice of general meeting may also be made by public announcement. The announcement to domestic Shareholders shall be published in the media that meets the conditions stipulated by the CSRC. Once the announcement is made, all domestic Shareholders shall be deemed to have received the notice of the relevant general meeting.

The notice of general meeting served on the holders of H Shares may be published through the websites of the Hong Kong Stock Exchange and the Company. Once the announcement is made, all holders of overseas listed foreign Shares shall be deemed to have received the notice of the relevant general meeting.

**Article 65** The notice of general meeting shall be in writing and include the following information:

- (I) the time, place and duration of the meeting;
- (II) matters and proposals to be submitted to the meeting for consideration;
- (III) a conspicuous statement that all Shareholders are entitled to attend and vote at the meeting and may appoint proxies to do so on their behalf, and such proxies need not to be Shareholders;
- (IV) the equity registration date of Shareholders entitled to attend the general meeting;
- (V) other items required by laws, administrative regulations, departmental rules or the Hong Kong Listing Rules.

The interval between the equity registration date and the meeting date shall be no more than 7 working days.

**Article 66** If the election of Directors or Supervisors is proposed to be discussed at a general meeting, the notice of the meeting shall adequately specify the detailed information on the Director or Supervisor candidates, which shall at least include:

- (I) personal particulars, including academic qualifications, working experience and concurrent positions;
- (II) whether or not such candidate has any connected relationship with the Company, its controlling Shareholders and de facto controller;
- (III) the number of Shares of the Company held by such candidate;
- (IV) whether they have been punished by the CSRC and other relevant authorities and disciplined by the stock exchange;
- (V) Other information required to be disclosed according to the requirements of the securities regulatory authorities of the place where the Shares of the Company are listed and the Listing Rules.

Save for the election of Directors and Supervisors by cumulative voting, each candidate for a Director or a Supervisor shall be proposed via a single proposal.

**Article 67** After giving the notice of general meeting, the meeting shall not be postponed or cancelled and the proposals set out in the notice shall not be cancelled without justifiable reasons. In case of a delay or cancellation, the convener shall make announcement at least 2 working days prior to the original date of convening the meeting and explain the reasons.

## **Section 5 Convening of General Meetings**

**Article 68** The Board of the Company and any other conveners shall take necessary measures to guarantee the good order of the general meeting. Measures shall be taken to deter any act disturbing the general meeting, picking quarrels and provoking troubles and infringing the legal rights and interests of any Shareholder, and such act shall be reported in a timely manner to the relevant departments for investigation and punishment.

**Article 69** All Shareholders listed in the register on the Share registration date or the proxies thereof shall be entitled to attend the general meeting, and exercise voting rights pursuant to relevant laws, regulations, the Hong Kong Listing Rules and the Articles of Association.

Shareholders may attend a general meeting in person, or may entrust other proxies to attend and vote on their behalf.

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

- (I) the Shareholder's right to speak at the meeting;
- (II) the right to demand a poll, whether on his/her own or together with others;
- (III) unless otherwise required by applicable securities listing rules or other securities laws and regulations, to exercise the right to vote by a show of hands or by poll; however, if more than one proxy is appointed by a Shareholder, such proxies shall only exercise the right to vote on a poll.

**Article 70** Natural person Shareholders who attend the meeting in person shall present their ID cards or other valid identification proofs; if a proxy is entrusted to attend the meeting, the proxy shall present his/her ID card and the Shareholder's power of attorney.

Non-natural person Shareholders shall be represented at the meeting by the legal representative/executive partner/representative of executive partner or the proxy authorized by the resolution of the Board of Directors/other decision-making bodies (being deemed to be in person). To attend the meeting, legal representatives/executive partners/representative of executive partner shall present their ID cards and valid certificate proving their qualification as legal representatives/executive partners; if a proxy is entrusted to attend the meeting, the proxy shall present his/her ID card and the written power of attorney issued by the Board of Directors/other decision-making bodies of the Shareholder according to law.

**Article 71** The power of attorney issued by the Shareholder authorizing his or her proxy to attend the general meeting should contain the following:

- (I) the name of the appointer and the class and quantity of the Company's shares held by such person;
- (II) the name of the proxy;
- (III) the specific instructions of the Shareholders, including instruction to vote for or against or abstain from voting on each and every issue included in the agenda of the general meeting;
- (IV) whether the proxy has the right to vote on the provisional resolution that may be included into the agenda of the general meeting;
- (V) the date of issue and validity period of the power of attorney;
- (VI) signature (or seal) of the appointer. If the appointer is a corporate Shareholder, the seal of the corporate shall be affixed.

**Article 72** If the Shareholder is a recognized clearing house defined by relevant regulations formulated from time to time in Hong Kong (or its nominee), such Shareholder shall be entitled to appoint one or more persons as it deems fit to act on its behalf at any general meeting, provided in the event of more than one person are authorized, the power of attorney shall specify the number and class of Shares represented by each person so authorized and shall be executed by the authorized officer of the recognized clearing house. Such persons so authorized shall be entitled to exercise the rights on behalf of the recognized clearing house (or its nominee) without presenting evidence of their shareholding, notarized authorization and/or further proof showing their due authorization as if they were individual Shareholders of the Company.

**Article 73** Any blank instrument of proxy sent to a Shareholder by the Board for appointing a proxy shall be in such form to enable the Shareholder to freely instruct the proxy to vote for or against the related resolution(s), and to instruct separately in respect of each resolution dealing with business to be transacted at the meeting. Such form shall contain a statement that in default of such instructions, the proxy may vote as he/she thinks fit.

**Article 74** A vote given by a proxy in accordance with the instructions of an instrument of proxy shall be valid notwithstanding the previous death or loss of capacity of the appointer or revocation of the proxy or power of authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no notice in writing of such death, insanity, revocation or transfer as aforesaid has been received by the Company before the commencement of the meeting.

**Article 75** The instrument appointing a proxy shall be deposited at the Company's domicile or such other place as specified in the notice of the meeting at least 24 hours before the time appointed for holding the meeting at which the power of attorney proposes to vote, or 24 hours before the time appointed for taking of the poll. Where such instrument is signed by a person under a power of attorney or other authority on behalf of the appointer, that power of attorney or other authority is required to be notarized. A notarized copy of that power of attorney or other authority together with the instrument appointing a proxy is required to be deposited at the Company's domicile or such other place as specified in the notice of the meeting.

If the appointer is a legal person, the legal representative or such person authorized by the Board or other decision-making body to act as its representative may attend the general meeting of the Company.

The Company has the right to demand the proxy attending on behalf of the Shareholder to present his/her identity card.

If a legal person Shareholder appointed a representative to attend the meeting, the Company has the right to demand the representative to present his/her identity certification and a copy of power of attorney of the legal person Shareholder (other than recognized clearing house or its nominee).

**Article 76** The register of attendees of the general meeting shall be prepared by the Company. Such register shall specify information such as the name of the persons (or units) attending the general meeting, identity card number, residential address, number of Shares or voting Shares held, name of the persons (or units) the proxy represents.

**Article 77** The convener shall verify the qualification of Shareholders with the register of members provided by the securities depository and clearing authority, and shall register the name of the Shareholders as well as the number of their voting Shares. Such registration shall be ceased prior to the announcement by the chairman of the general meeting the number of Shareholders and their proxies present at the meeting and the total number of their respective voting Shares.

**Article 78** Where Directors, Supervisors and senior management members are required to be present at general meeting, such Directors, Supervisors and senior management members shall be present at the meeting and answer the queries from Shareholders.

**Article 79** A general meeting shall be convened and presided over by the chairperson of the Board. Where the chairperson of the Board is unable or fails to perform his/her duties, a Director shall be jointly elected by more than half of the Directors to convene the meeting and preside over it.

A general meeting convened by the Board of Supervisors on its own shall be presided over by the chairman of the Board of Supervisors. Where the chairman of the Board of Supervisors is unable or fails to perform his/her duties, a Supervisor shall be jointly elected by more than half of the Supervisors to preside over the meeting.

A general meeting convened by Shareholders on their own shall be presided over by the convener or a representative elected by the convener.

When a general meeting is held and the presider violates the rules of procedures of the general meeting which makes it difficult for the general meeting to continue, a person may be elected at the general meeting to act as the presider, subject to the approval of more than half of the attending Shareholders having the voting rights. If, for any reason, the Shareholders fail to elect the presider of the meeting, the Shareholder (including the proxy thereof) holding the most voting Shares thereat shall preside over the meeting.

**Article 80** The Company shall formulate the rules of procedures of the general meeting to specify in details the convening and voting procedures of the general meeting, including notice, registration, deliberation of proposals, votes, vote counting, announcement of voting results, formation of resolutions, minutes and the signatures thereon. The rules of procedures of the general meeting shall be an appendix to the Articles of Association and shall be formulated by the Board and approved at the general meeting.

**Article 81** At the annual general meeting, the Board and the Board of Supervisors shall report their respective work of the previous year to the general meeting.

**Article 82** Directors, Supervisors and senior management members shall provide explanation and clarification to the inquiries and suggestions raised by the Shareholders at the general meeting.

**Article 83** The presider of the general meeting shall, before voting, announce the number of Shareholders and their proxies attending the meeting as well as the total number of their voting Shares, and the number of Shareholders and their proxies attending the meeting and the total number of their Shares shall be subject to the registration of the general meeting.

**Article 84** Meeting minutes shall be taken for general meetings, which shall be recorded by the secretary to the Board. The meeting minutes shall record the following:

- (I) the date, venue and agenda of the meeting, and the name of the convener;
- (II) the names of the presider, and the Directors, Supervisors, general manager and other senior management members attending or present at the meeting;
- (III) the number of attending Shareholders and their proxies, the total number of voting Shares they hold and the proportion of these Shares to the total number of the Shares of the Company;
- (IV) the consideration process of each proposal, summaries of the speeches and the voting result;
- (V) details of the inquiries or suggestions of the Shareholders, and the corresponding response or explanations;
- (VI) the name of vote counters and scrutineer;
- (VII) other contents that shall be recorded in the minutes in accordance with the Articles of Association.

**Article 85** The convener shall ensure the meeting minutes are true, accurate and complete. Directors, Supervisors and the secretary to the Board attending or present at the meeting, the convener or representative thereof and the presider shall sign the meeting minutes. The meeting minutes and the signed attendance record of the Shareholders who attended in person, the proxy forms for the proxies present at the meeting and the valid information relating to the voting shall be kept together for 10 years.

**Article 86** The convener shall ensure that the continuity of the general meeting until the final resolution is formed. Where the general meeting is suspended or no resolution can be made due to force majeure, or for any other special reasons, necessary measures shall be taken to resume or directly terminate the general meeting.

## **Section 6 Voting and Resolutions of General Meetings**

**Article 87** The resolutions of the general meeting shall be classified as ordinary resolutions and special resolutions.

An ordinary resolution made by the general meeting shall be passed by more than one half of the voting rights held by the Shareholders with voting rights (including proxies) present at the general meeting.

A special resolution made by the general meeting shall be passed by two-thirds of the voting rights held by the Shareholders with voting rights (including proxies) present at the general meeting.

**Article 88** The following matters require the sanction of an ordinary resolution at a general meeting:

- (I) the work reports of the Board of Directors and the Board of Supervisors;
- (II) profit distribution plan and loss recovery plans proposed by the Board of Directors;
- (III) the election and removal of members of the Board of Directors and the Board of Supervisors (except for employee representative Supervisors), their remuneration and method of payment;
- (IV) the Company's appointment, removal or non-reappointment of an accounting firm;
- (V) other matters, except those required to be adopted by way of a special resolutions as required by laws, administrative regulations, the Hong Kong Listing Rules or the Articles of Association.

**Article 89** The following matters required the sanction of a special resolution at a general meeting:

- (I) the increase or reduction of registered capital of the Company;
- (II) the division, merger, dissolution and liquidation or change of corporate form of the Company;
- (III) the amendments to the Articles of Association;
- (IV) the amount of the Company's purchase or disposal of material assets or guarantee within one year exceeding 30% of the latest audited total assets;
- (V) the repurchase of the Company's Shares;
- (VI) other matters required by laws, administrative regulations, the Hong Kong Listing Rules or the Articles of Association, and those considered by way of an ordinary resolution at a general meeting with a material impact on the Company and in need of approval by way of a special resolution.

**Article 90** Shareholders (including their proxies) shall exercise their voting rights according to the number of Shares carrying voting rights they represent, with one vote for each Share.

Shares of the Company held by the Company do not carry any voting rights, and shall not be counted in the total number of Shares carrying voting rights represented by Shareholders attending a general meeting.

A controlling subsidiary of the Company shall not acquire Shares of the Company. If a controlling subsidiary of the Company holds Shares of the Company as a result of a merger or the exercise of a pledge right, it shall not exercise the voting rights corresponding to the Shares it holds and shall dispose of the relevant Shares of the Company in a timely manner.

The Board, independent non-executive Directors and Shareholders who meet the relevant requirements are entitled to solicit Shareholders' voting rights.

**Article 91** When matters on related party transactions are considered on general meetings, related Shareholders shall not participate in the voting. The number of Shares carrying voting rights they represent shall not be counted in the total number of valid votes. The record of the general meeting shall illustrate in detail the voting results of non-related Shareholders.

Prior to the completion of the consideration and voting on matters regarding the related party transactions at the general meeting, the related Shareholders shall apply to the chairman of the meeting for abstention from voting, and the chairman shall announce the same to the meeting. When voting on matters regarding the related party transactions, related Shareholders shall abstain from voting under the supervision of Supervisors attending the meeting.

Prior to the completion of the consideration and voting on matters regarding the related party transactions at the general meeting, non-related Shareholders (including proxies) and Supervisors present at the meeting shall have the right to put forward a request to the chairman that the related Shareholders shall abstain from voting and explain the reasons. If the related Shareholders who are requested to abstain have no objection to the abstention request, they shall not participate in the voting. If the Shareholder who is required to abstain from voting considers that he/she is not a related Shareholder and does not need to perform abstention procedures, he/she shall explain the reasons to the general meeting. If the Shareholder who is required to abstain from voting is determined to be a related Shareholder, he/she shall not participate in the voting. In the event, the person taking minutes for the general meeting shall keep a record of such situation in detail in the minutes as illustrated above.

**Article 92** Without prior approval by way of special resolution at the general meeting, the Company shall not enter into any contract with any person other than the Directors, Supervisors, general managers and other senior management whereby the management and administration of the whole or any substantial part of the business of the Company is to be handed over to such person, save for special circumstances such as the Company is in a crisis.

**Article 93** The list of candidates for Directors and Supervisors shall be submitted by way of a motion to the general meeting for voting.

A cumulative voting system may be adopted for the election of Directors and Supervisors at the general meeting pursuant to the provisions of the Articles of Association or a resolution of the general meeting.

Accumulative voting system referred in the preceding paragraph means a system whereby each share shall be entitled to the voting rights equivalent to the number of Directors or Supervisors to be elected at the general meeting, and Shareholders may consolidate their votes when casting a vote. The Board shall provide Shareholders with the biographies and general information of the Directors and Supervisors to be elected.

**Article 94** Other than the cumulative voting system, all proposals shall be voted on at the general meeting on case-by-case basis. Where different proposals for the same issue are proposed, such proposals shall be voted on in the order in which they are proposed. Other than special reasons such as force majeure which results in the interruption of the general meeting or makes it impossible to come to resolution, the general meeting shall not set aside the proposals or withhold from voting.

**Article 95** No amendment shall be made on the proposals during the consideration at the general meeting. If an amendment is made, any such amendments to a proposal shall be deemed as a new proposal and shall not be voted at the meeting.

**Article 96** Voting is conducted by open ballot at the general meeting.

**Article 97** Any vote of Shareholders at the general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

**Article 98** Before voting on a proposal at the general meeting, two Shareholder representatives and one Supervisor representative shall be elected to participate in vote counting and scrutinizing. If any Shareholder has interests or conflicts in the matters to be considered, such Shareholder and his/her proxy shall not participate in the counting or scrutinizing of votes, except where the number of Shareholders attending the meeting is insufficient.

When a proposal is voted on at the general meeting, Shareholders' representatives and Supervisors' representative shall be responsible for counting and scrutinizing ballots and announce the voting results on the spot, which shall be recorded in the minutes of the meeting.

**Article 99** Before the conclusion of the general meeting, the chairman of the meeting shall declare the voting results of each proposal and announce whether the proposal is passed according to the voting results. His/Her decision shall be final and shall be recorded in the minutes of meeting.

Before the formal announcement of the voting results, the tellers, scrutineers, substantial shareholders, and other relevant parties involved in the on-the-spot voting, shall be under confidentiality obligation in relation to the voting.

**Article 100** Shareholders who attend the general meeting shall take one of the following stances when a proposal is put forward for voting: to vote for or against or abstain from voting, except where the securities registration and clearing institution, as the nominal holder of Shares under the stock market trading connectivity mechanism between the Mainland and Hong Kong, makes a declaration in accordance with the intentions of the beneficial holders.

Any votes which are uncompleted, erroneously completed or illegible, or uncast votes shall be considered as a waiver of voting rights by the voter, and the outcome of votes carried with the Shares held by such voters shall be counted as “abstain from voting”.

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

**Article 101** In the event that the chairman of the meeting has any doubt as to the result of a resolution put forward to the vote, the chairman may have the votes counted. In the event that the chairman of the meeting fails to have the votes counted, any shareholder present in person or by proxy objects to the result announced by the chairman of the meeting may demand for the counting of votes immediately after the declaration of the voting result, the chairman of the meeting shall have the votes counted immediately. If votes are counted at the general meeting, the result shall be recorded at the minutes of the meeting. The minutes of the meeting together with the attendance book of Shareholders and the proxy forms for proxies attending the meeting shall be maintained by the Company and kept at its domicile.

**Article 102** The resolutions of the general meeting shall specify the number of the Shareholders and proxies attending the meeting, the total number of Shares carrying voting rights held by them and such Shares as a percentage of the total number of Shares of the Company carrying voting rights, the means of voting, the voting result of each resolution and the details of the resolutions passed.

**Article 103** Where a proposal has not been passed or the resolutions of the preceding general meeting have been changed at the current general meeting, special mention shall be made in the resolutions of the general meeting.

**Article 104** Where any proposal on the election of Directors or Supervisors is adopted at the general meeting, new Directors or Supervisors shall take their posts upon the passing of the relevant resolution at the general meeting.

**Article 105** Should a general meeting pass proposals regarding cash distribution, bonus issue or transfer of surplus reserve into share capital, the specific proposals shall be implemented within 2 months after the close of the general meeting. If the specific proposals cannot be implemented within 2 months due to the requirements of laws and regulations or the securities regulatory rules of the place where the Company’s Shares are listed, the implementation date of the specific proposals may be adjusted accordingly in accordance with such requirements and the actual circumstances.

## **Chapter 5 Board of Directors**

### **Section 1 Directors**

**Article 106** Directors of the Company comprise executive Directors, non-executive Directors and independent non-executive Directors. Executive Directors refer to Directors who assume operation and management duties within the Company. Non-executive Directors refer to Directors who do not assume operation and management duties within the Company and do not have independence pursuant to laws. Independent non-executive Directors refer to Directors who satisfy the requirements of Section 2 in the Chapter 5 of the Articles of Association.

Shareholders' representative Directors shall be elected or replaced at the general meeting and employee representative Directors (if any) shall be elected or replaced by the employee representative assembly. Each has a term of three years unless otherwise required by the Articles of Association. The Directors shall be eligible for re-election upon the expiry of their term.

Directors shall not be dismissed for no reason at the general meeting before the expiry of their terms. On the premise of complying with relevant laws and administrative regulations, the general meeting may remove any Director whose term does not expire by passing an ordinary resolution (but claims under any contract shall not be affected by such removal), which shall come into effect from the date on which such resolution is made. Where a Director is removed from office prior to expiration of his/her term of office without justifiable cause, such Director may demand compensation from the Company.

The term of a Director shall be calculated from the date upon which the Director assumes office to the expiry of the current Board. If the term of a Director expires but re-election is not made timely, the original Director shall perform the duties as Director pursuant to laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association until a new Director is elected.

A Director may serve concurrently as the general manager or other senior management, but the total number of Directors serving concurrently as the general manager or other senior management as well as employee representative Directors (if any) shall not be more than half of the Directors of the Company.

Directors are not required to hold any Shares of the Company.

Functions and duties of independent non-executive Directors of the Board of the Company include but are not limited to:

- (I) join the Board and provide independent opinions on matters concerning the Company's strategic decisions, appointment of senior management and other decisions involving material interests of the Company;
- (II) play the leading and guiding role whenever there is potential conflict of interests such as where the Company is entering into related parties transactions so as to fully protect the overall legitimate rights and interests of the Company and the Shareholders;
- (III) serve as a member of specialised committees such as the audit committee, remuneration committee, nomination and environmental, social and corporate governance (ESG) committee; and
- (IV) evaluate whether or not the business performance of the Company has achieved its pre-set objectives and express opinions at relevant meetings.

**Article 107** Directors shall observe laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association to perform their obligations of loyalty to the Company, take measures to avoid conflicts between their own interests and the Company's interests, and must not abuse their authority to seek improper benefits.

Directors shall fulfill the following obligations of loyalty to the Company:

- (I) not misappropriating the Company's properties or misappropriating the Company's capital;
- (II) not depositing the Company's capital into accounts under his/her own name or the name of other individuals;
- (III) not abusing their authority in bribes or accepting other unlawful income;
- (IV) not entering into any contract or conducting any transaction, directly and indirectly, with the Company without reporting to the board of directors or the general meeting and obtaining approval through resolutions by the board of directors or the general meeting as stipulated in the Articles of Association;
- (V) not taking advantage of their positions to seek any business opportunities that are due to the Company for themselves or others, unless such business opportunities are not available to the Company upon reporting to the board of directors or the general meeting and obtaining approval through resolutions by the general meeting or as required in laws, administrative regulations or the Articles of Association;

- (VI) not conducting any businesses similar to those of the Company for themselves or others without reporting to the board of directors or the general meeting and obtaining approval through resolutions by the general meeting;
- (VII) not accepting and possessing commissions for transactions conducted with the Company;
- (VIII) no unauthorized divulgence of confidential information of the Company;
- (IX) not using their associated relationships to harm the interests of the Company;
- (X) other obligations of loyalty stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association.

Any income earned by Directors in violation of the Articles of Association shall belong to the Company; any loss caused to the Company shall be liable for compensation.

The provisions of the item (IV) of the second paragraph of this Article shall apply to the conclusion of contracts or engagement in transactions with the Company by close relatives of the Directors and senior management or enterprises directly or indirectly controlled by the Directors and senior management or their close relatives, as well as persons who are otherwise related to the Directors and senior management.

If a controlling Shareholder or an actual controller of the Company does not act as a Director of the Company but actually executes the affairs of the Company, the provisions of the Articles shall apply.

**Article 108** Directors shall observe laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association to perform their obligations of diligence to the Company. They shall fulfill their obligations with reasonable care generally due to managers in the best interests of the Company.

Directors shall fulfill the following obligations of diligence to the Company:

- (I) to exercise the rights conferred by the Company with due discretion, care and diligence to ensure that the business operations of the Company comply with the requirements of the laws, administrative regulations and various economic policies of the country and not exceed the business scope specified in the business license of the Company;
- (II) to treat all Shareholders impartially;
- (III) to keep informed of the operation and management conditions of the Company;

- (IV) to sign a written confirmation for the securities offering documents and periodic reports of the Company, to ensure the truthfulness, accuracy and completeness of the information disclosed by the Company;
- (V) to provide the Board of Supervisors with truthful information and not prevent the Board of Supervisors or Supervisors from exercising their duties and functions;
- (VI) other obligations of diligence stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association.

If a controlling Shareholder or an actual controller of the Company does not act as a Director of the Company but actually executes the affairs of the Company, the provisions of this article shall apply.

**Article 109** Directors who fail to attend two consecutive meetings of the Board of Directors either in person or entrust other Directors to do so shall be deemed incapable of performing their duty, and the Board shall make a proposal to the general meeting to replace such Directors.

**Article 110** Directors may submit their resignation upon the expiry of their term. The resigning Directors shall submit a resignation report to the Board in writing.

In the event that the resignation of a Director will result in the Board of the Company falling below the quorum, the original Directors shall perform their duties as Directors pursuant to laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association until a new Director assume his/her post.

Save for the aforesaid circumstances, the Director's resignation takes effect upon delivery of his/her resignation report to the Board.

**Article 111** The general meeting may remove any Director by a resolution, which shall come into effect from the date on which such resolution is made.

Where a Director is removed from office prior to expiration of his/her term of office without justifiable cause, such Director may demand

**Article 112** When a Director's resignation takes effect or his/her term of service expires, the Director shall complete all transfer procedures with the Board. His/Her obligation of loyalty towards the Company does not necessarily cease immediately after the end of his/her term of service. The obligation of confidentiality in respect of trade secrets of the Company shall remain in effect after the end of his/her term of office, until such trade secrets become publicly available information. Other obligations may continue for such period as the principle of fairness may require, depending on the duration between the occurrence of the event concerned and the termination of tenure, and the circumstances and conditions under which the relationships between them and the Company have been terminated.

**Article 113** No Director shall act in his/her own name on behalf of the Company or the Board, without the legal authorization provided in the Articles of Association or from the Board. Where the Director acts in his/her own name, but where a third party may reasonably assume such Director to act on behalf of the Company or the Board, such Director shall state his/her position and capacity in advance.

**Article 114** A Director shall be liable for compensation for any loss of the Company arising from violation by him/her of any laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or the Articles of Association in the course of performing his/her duties. If a Director causes damage to others in the course of performing his/her duties, the Company shall be liable for compensation; the Director shall also be liable for compensation if there is intentionality or gross negligence on his/her part.

**Article 115** The Company shall strictly comply with the relevant provisions of the Articles of Association and the Decision Making System for Connected Transactions (《關連交易決策制度》), and connected directors shall recuse themselves from voting when the Board of Directors reviews matters of connected transactions.

## **Section 2 Independent Non-executive Directors**

**Article 116** The Company establishes an independent non-executive Director system. Independent non-executive Directors refer to Directors who do not assume other posts in the Company except directorship and have no relationship with the Company and its substantial Shareholders that may impede them from exercising independent judgment.

Independent non-executive Directors shall serve a term of three years and be eligible for re-election, but in any case not exceeding a total of nine years unless otherwise provided in relevant laws, regulations and the listing rules of the stock exchange where the Shares of the Company are listed.

**Article 117** Independent non-executive Director shall satisfy the basic conditions set forth below:

- (I) to be qualified for acting as directors of a listed company as provided in laws, administrative regulations, the listing rules of the stock exchange where the Company's Shares are listed and other relevant regulations;
- (II) to comply with the requirements on independence as stipulated in the listing rules of the stock exchange where the Company's Shares are listed;
- (III) to possess the basic knowledge of the operations of listed companies, and be familiar with relevant laws, administrative regulations, and rules and regulations;
- (IV) having at least five years of working experience in legal or economic areas, or other experience indispensable for performing the duties as independent non-executive directors;
- (V) other requirements provided in the Articles of Association.

**Article 118** At least one independent non-executive Director of the Company shall be an accounting professional. Independent non-executive Directors shall honestly fulfill their duties and protect the interests of the Company, in particular the legitimate rights and interests of public shareholders, to ensure the sufficient representation of the interests of all shareholders.

**Article 119** Independent non-executive Directors have the following special powers in addition to the powers conferred on the Directors by the Company Law, other relevant laws and regulations, the listing rules of the stock exchange where the Shares of the Company are listed and the Articles of Association:

- (I) proposing to the Board with respect to the engagement or dismissal of accounting firms;
- (II) proposing to the Board with respect to the convening of extraordinary general meetings;
- (III) proposing the convening of Board meetings;
- (IV) with the consent of all independent non-executive Directors, independently engaging external auditing and consultancy firms with respect to the auditing and consulting of specific matters of the Company. The costs so incurred shall be borne by the Company.

Except for item (IV), to exercise the above-mentioned powers, independent non-executive Directors shall obtain consent from more than half of all independent non-executive Directors. In the event that the above proposal is not adopted or the above powers cannot be normally exercised, the Company shall disclose the relevant information.

**Article 120** Before the expiration of their term of office, independent non-executive Directors shall not be dismissed without proper reasons. In case of an independent Director being dismissed before expiration of his/her term of office, the Company shall disclose it as a special discloseable matter.

If an independent non-executive Director fails to attend the meeting of the board of directors in person for two consecutive times, and does not appoint another independent Director to attend the meeting on his or her behalf, the board of directors shall propose the convening of a general meeting to remove him/her from his/her position within thirty days from the date of occurrence of such facts.

**Article 121** All matters not prescribed in this section for the system of independent non – executive Directors shall be handled pursuant to relevant laws, administrative regulations, department rules and the listing rules of the stock exchange where the Company’s Shares are listed.

**Article 122** The Company provides appropriate subsidies to independent non-executive Directors. The standards of the subsidies shall be considered and determined at the shareholders’ general meeting.

**Article 123** Unless otherwise provided by the laws, administrative regulations and the Articles of Association, the provisions regarding Directors as mentioned above in Section 1 of the Articles of Association shall apply to independent non-executive directors.

### **Section 3 Board of Directors**

**Article 124** The Company shall have a Board of Directors accountable to the general meeting.

**Article 125** The Board comprises 9 Directors (including 3 independent non-executive Directors), all elected at the general meeting. The Board shall have one chairman, who shall be a Director of the Company and elected by more than half of the Directors of the Board.

**Article 126** The Board of Directors shall exercise the following duties and functions:

- (I) to convene general meetings and report to the general meeting;
- (II) to implement resolutions of the general meeting;
- (III) to resolve on the Company's operational plans and investment plans;
- (IV) to prepare the profit distribution and loss recovery plans of the Company;
- (V) to formulate proposals for the Company in respect of increase or reduction of registered capital, issue of Shares, bonds or other securities and the listing thereof;
- (VI) to formulate plans for material acquisitions, purchase of Shares of the Company, or merger, division and dissolution of the Company as well as change of corporate form;
- (VII) to decide on, within the authority granted by the general meeting, such matters as external investment, acquisition and disposal of assets, asset mortgage, external guarantee, entrusted financial management and connected transactions;
- (VIII) to decide on the establishment of internal management organizations of the Company;
- (IX) to appoint or dismiss the general manager and secretary to the Board of Directors of the Company based on the nominations by the chairman; to appoint or dismiss senior management officers including deputy general manager and chief financial officer of the Company based on the nominations by general manager, and to determine their remuneration, rewards and punishments;
- (X) to propose and submit plans regarding the amounts of Directors' remuneration and payment methods;
- (XI) to set up the basic management system of the Company;
- (XII) to formulate proposals for any amendment to the Articles of Association;
- (XIII) to consider share incentive plans (except those required by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules to be considered by the general meeting);

- (XIV) to propose to the general meeting the appointment or replacement of accounting firms which provide audit services to the Company;
- (XV) to listen to the work reports of general manager and other senior management and review their work;
- (XVI) to consider guarantees other than those that require approval by the general meeting, subject to the consideration and approval by more than two-thirds of the attending Directors;
- (XVII) to exercise other duties and functions as stipulated by laws, administrative regulations, department rules, the Hong Kong Listing Rules, the Articles of Association or the general meeting.

The Board of Directors may resolve on the above issues with approval by more than half of the Directors, save for the issues specified in items (V), (VI) and (XII), for which approval by more than two-thirds of the Directors is required.

**Article 127** The Company's Board of Directors shall explain to the general meeting regarding the non-standard auditors' advice given by a certified accountant in respect of the financial report of the Company.

**Article 128** The Board of Directors shall formulate the rules of procedure for meetings of the Board of Directors in compliance with laws, administrative regulations and requirements of the relevant competent authority, to ensure the implementation by the Board of Directors of the resolutions of the general meeting, higher efficiency and scientific, decision-making.

The rules of procedure for Board meetings shall be annexed to the Articles of Association and shall be prepared by the Board and implemented upon approval by the shareholders' general meeting.

**Article 129** The Board of Directors shall determine the scope of authority in respect of external investment, acquisition or sale of assets, asset mortgage, external guarantees, entrusted financial management and connected transactions in accordance with the provisions of the stock exchange where the Company's Shares are listed, and establish strict examination and decision-making procedures.

**Article 130** The Chairman of the Board of Directors shall exercise the following powers:

- (I) to preside over the shareholders' general meeting, and to convene and preside over the meetings of the Board of Directors;
- (II) to urge and check the implementation of the Board of Directors' resolutions;
- (III) to sign corporate bonds issued by the Company and other negotiable securities issued by the Company as permitted by law;
- (IV) to sign material documents and other documents needed to be signed by the Company's as a legal representative;
- (V) to exercise other powers as a legal representative;
- (VI) in the event of emergency of force majeure such as catastrophic natural disaster, to enforce special discretion on the affairs of the Company in accordance with provisions of laws and the interests of the Company and to report to the Board of Directors of the Company or the shareholders' general meeting afterwards;
- (VII) to examine and approve transactions that fail to meet the deliberation criteria of the Board of directors as stated in the Articles of Association;
- (VIII) other functions and powers conferred by the Board of Directors.

**Article 131** If the chairman cannot or does not perform his/her duties, a Director jointly elected by more than half of the Directors shall convene and preside over the meeting.

**Article 132** The Board of Directors meets regularly at least four times every year (roughly on a quarterly basis) and such meetings shall be convened by the chairman. All Directors and Supervisors shall be informed in writing 14 days prior to the convening of the meeting. The responsible authority of the Company shall give the written notice of the meeting to all Directors and Supervisors by direct delivery, fax, speedpost or other electronic communication methods. For non-direct delivery, confirmation shall be made by telephone with records made accordingly.

**Article 133** Interim board meetings may be proposed to be convened by shareholders representing more than 10% of the voting rights, more than one-third of the Directors, the Board of Supervisors, chairman, general manager and two or more independent non-executive Directors. The chairman shall convene the meeting within 10 days of receiving such proposal, and preside over the meeting.

For the convening of interim Board meetings, the Board of Directors shall notify all Directors in writing 3 days before the meeting, except that in special or emergency cases, interim board meetings shall be convened by means of on-site meeting, telephone or fax. In case of emergency, if it is necessary to convene an interim board meeting as soon as possible with a notice by telephone or other oral means, the convener shall make an explanation at the meeting.

For matters requiring voting at interim board meetings, if the Board of Directors has distributed the contents of the proposal proposed to be voted on to all Directors in writing (including by fax and e-mail) and ensured that the Directors can fully express their opinions, they can vote by communication and make resolutions. However, a valid resolution may only be achieved when the number of Directors who signs for consent reaches the number required for making decisions as stipulated in the Articles of Association.

**Article 134** A notice of the Board shall include:

- (I) date and venue of the meeting;
- (II) duration of the meeting;
- (III) subject matter and issues;
- (IV) date of notice.

**Article 135** The Board meeting shall be held upon the attendance by more than half of Directors. Unless otherwise stipulated in the Articles of Association, a resolution of the Board shall be passed by more than half of all Directors. For external guarantees that shall be approved by the Board, a resolution of the Board of Directors shall be approved by more than two-thirds of Directors present at the meeting and passed by more than half of all Directors.

Resolutions of the Board are voted by way of poll with each Director having one vote.

**Article 136** If any Director has connection with the enterprise or individual involved in the resolution made at a Board meeting, the said Director shall promptly report in writing to the Board of Directors and shall not vote on the said resolution for himself/herself or on behalf of another Director. The Board meeting may be held when more than half of the non-connected Directors attend the meeting. The resolutions of the Board meeting shall be passed by more than half of the non-connected Directors. If the number of non-connected Directors attending the meetings is less than three, the issue shall be submitted to the general meeting for consideration.

Save for the exceptions specified in the Hong Kong Listing Rules, in case a Director or his/her close associate (as defined in the Hong Kong Listing Rules applicable from time to time) is interested in a resolution of the Board meeting, that Director shall avoid attending the meeting and have no voting right. The Director will also be excluded in the calculation of for the Board.

**Article 137** The resolutions of the Board of Directors can be made by filling in a ballot in writing or by a show of hands. The resolutions of the interim Board meetings can be made by means of fax, telephone or video conference and the signature of the attending Directors, provided that the Directors' opinions are fully expressed.

**Article 138** Directors shall attend the meetings of the Board in person (attendance at meetings by means of video or telephone shall be deemed attendance in person). Directors shall attend the Board meeting in a careful and responsible manner, and express clear opinions on the matters considered. Where a Director is unable to attend a meeting for any reason, he/she may, by a written power of attorney, appoint another Director to attend the meeting on his/her behalf. The power of attorney shall set out the name of the attorney, issues under authorization, scope of authorization and valid period, which will be signed or sealed with the chop by the appointing Director. A Director who attends the meeting on behalf of appointed Director shall exercise the rights of a Director within the scope of authority. Where a Director is unable to attend a meeting of the Board of Directors 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 139** For any important matter subject to decision by the Board, all directors must be given advance notice by the time as stipulated in the Articles of Association and provided with sufficient information, which shall be conducted in strict compliance with the prescribed procedures. The Directors are entitled to request supplementary information. If at least one-quarter of the Directors or at least two independent non-executive Directors believe that they are unable to make judgments on relevant matter due to insufficient of information materials or other such reason, they may jointly propose to postpone the Board meeting or postpone the discussion of some matter considered. In such circumstances, the Board of Directors shall accept it.

Resolutions in respect of the connected transactions of the Company made by the Board of Directors shall take effect only after being signed by independent non-executive Directors.

**Article 140** The Board of Directors shall prepare minutes of the meetings of the Board and such minutes shall be signed by the Directors, secretary to the Board present at the meeting and the person who has prepared the minutes.

The Board of Directors shall be responsible for the resolutions adopted by the Board of Directors. The Directors adopting a resolution that contravenes laws, administrative regulations or the Articles of Association and results in severe losses to the Company shall be liable to the Company for compensation. However, a Director may be exempt from such liability with the proof that he/she has expressed a disagreement which has been recorded in the minutes of the meeting.

The minutes of the Board meeting will be properly deposited by the secretary to the Board for a period of not less than ten years.

**Article 141** The minutes of the Board meeting shall include:

- (I) the convening date, place and the convener's name of the meeting;
- (II) names of Directors present and such directors appointed as proxies to attend the meeting;
- (III) agenda of the meeting;
- (IV) key points of speeches of the Directors;
- (V) the voting method and the results of each resolution (the number of votes in for or, against or abstain shall all be clearly indicated).

## **Section 4 Secretary to the Board of Directors**

**Article 142** The Company has a secretary to the Board of Directors who shall be appointed or dismissed by the Board of Directors and serve as a senior management officer of the Company.

**Article 143** The secretary to the Company's Board of Directors shall be a natural person with requisite professional knowledge and experience, and shall be appointed by the Board of Directors. Its primary responsibilities are:

- (I) ensuring the Company has complete organization documents and records, keeping and managing the Shareholders' information and assisting to handle the daily affairs of the Board;
- (II) organizing and arranging for Board meetings and general meetings; preparing meeting materials, handling relevant meeting affairs; taking minutes of the meetings and ensuring their accuracy and completeness; keeping documents and minutes of meetings; taking the initiative to monitor the implementation of relevant resolutions; reporting to the Board important issues that occur during the implementation and giving relevant advice to the Board;
- (III) acting as the liaison officer of the Company with the securities regulatory authorities, responsible for organizing, preparing and timely submitting the documents required by the regulatory authorities, accepting and finishing any relevant assignment from the regulatory authorities;
- (IV) responsible for coordinating and organizing the Company's disclosure of information, establishing and implementing the information disclosure system, participating in all of the Company's meetings involving the disclosure of information, and keeping informed of the Company's material operational decisions and related information in a timely manner;
- (V) ensuring that the Company's registers of members are properly maintained, and that persons entitled to the Company's records and documents are furnished with such records and documents in time;
- (VI) exercising other duties and functions as conferred by the Board, as well as those required by laws, regulations and the listing rules of the stock exchanges where the Company's Shares are listed.

**Article 144** Directors or other senior management personnel of the Company may concurrently serve as the secretary to the Board, but shall ensure to have sufficient efforts and time to perform duties of the secretary to the Board. The general manager (excluding the deputy general manager) and financial officer of the Company shall not concurrently hold serve as the secretary to the Board. The accountant(s) of the certified public accountants' firm engaged by the Company and management officers of the controlling Shareholders shall not concurrently serve as the secretary to the Board. Where the secretary to the Board is held concurrently by a Director, if a certain act should be performed by the Director and the secretary to the Board of the Company respectively, the person who concurrently serves as the Director and the secretary to the Board of the Company shall not act in dual capacity.

## **Chapter 6 General Manager and Other Senior Management Personnel**

**Article 145** The Company shall have one general manager.

The general manager, deputy general manager, chief financial officer and secretary to the Board are the senior management personnel of the Company, all of whom shall be appointed or dismissed by the Board.

**Article 146** The provisions of the Articles of Association regarding the duties of integrity and diligence of Directors shall also apply to senior management personnel. Senior management personnel of the Company shall faithfully perform their duties and safeguard the maximum interests of the Company and all shareholders. If senior management personnel of the Company fail to faithfully perform their duties or violate their integrity obligations, causing damage to the interests of the Company and public shareholders, they shall be liable to compensate for the losses thereof in accordance with the law.

**Article 147** The senior management personnel of the Company shall not hold any executive positions other than directors or supervisors in the controlling shareholders, de facto controllers and other enterprises controlled by them, and shall not receive any remuneration from any other enterprises controlled by the controlling shareholders or the actual controllers.

**Article 148** The general manager has a term of office of three years and may be re-employed and re-appointed.

**Article 149** The general manager shall be accountable to the Board and exercise the following functions and powers:

- (I) to take charge of the production operations and management of the Company, organize the implementation of the Board's resolutions and report his/her work to the Board;
- (II) to organize the implementation of the Company's annual operational plans and investment plans;
- (III) to decide on the setup of the Company's internal management organs;
- (IV) to formulate the basic management system of the Company;
- (V) to formulate the specific rules and regulations of the Company;
- (VI) to propose to the Board the appointment or dismissal of the deputy general manager, chief financial officer and other senior management personnel of the Company;
- (VII) to appoint or dismiss management personnel, other than those required to be appointed or dismissed by the Board of Directors;
- (VIII) other functions and powers as granted by the Articles of Association and the Board.

The general manager shall perform his/her duties diligently and take charge of the daily operations and management of the Company. If the general manager is unable to perform his/her duties due to special circumstances, he/she shall designate a person to perform his/her duties on his/her behalf. If the general manager fails to designate a person to perform his/her duties on his/her behalf, the Board shall designate an acting general manager.

**Article 150** The general manager may attend at the Board meetings. The non-director general manager has no voting right at such meetings.

**Article 151** The general manager shall lay down his/her working rules which may be implemented upon approval by the Board of Directors.

**Article 152** The working rules of the general manager cover the following:

- (I) the conditions, procedures and number of participants for holding a general manager's meetings;
- (II) their respective duties and division of responsibilities among the general manager and other senior management personnel;
- (III) the scope of authority to use the capital and the assets of the Company and execution of material contracts, and the reporting system to the Board of Directors and the Board of Supervisors;
- (IV) any other matters considered necessary by the Board of Directors.

**Article 153** The general manager may submit his/her resignation before the expiry of his/her term of service. The specific procedures and methods concerning the general manager's resignation are specified in the employment contract between the general manager and the Company.

**Article 154** If a senior management member contravenes the provisions of laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or the Articles of Associations when carrying out his/her duties shall be liable to compensate the Company for the losses thereof.

If senior management personnel perform their duties and cause harm to others, the Company shall be liable to compensate for the losses thereof; if senior management personnel have intentional or gross negligence, they shall be liable to compensate for the losses thereof.

## **Chapter 7 Board of Supervisors**

### **Section 1 Supervisors**

**Article 155** The Supervisors are shareholder representatives and employee representatives of the Company. The number of employee representative Supervisors shall be no less than one-third of all Supervisors.

**Article 156** Directors, the general manager and other senior management personnel may not concurrently serve as Supervisors.

**Article 157** Supervisors shall perform their supervisory duties faithfully in accordance with laws, administrative regulations and the Articles of Association, and bear loyalty and diligent duties to the Company. Supervisors shall not abuse their powers to accept bribes or other illegal income or misappropriate the Company's property.

**Article 158** The term of office of a Supervisor is three years. Upon expiration of the term of office, the Supervisors may be re-elected and re-appointed.

**Article 159** A Supervisor shall continue to perform his/her duties as a Supervisor in accordance with laws, administrative regulations and the Articles of Association until a re-elected supervisor takes office, if the re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of supervisors results in the number of supervisors being less than the quorum.

**Article 160** Supervisors shall ensure any information disclosed by the Company to be true, accurate and complete.

**Article 161** Supervisors may attend at Board meetings, and raise any inquiry or make any suggestion regarding the resolutions of the Board.

**Article 162** Supervisors shall not use their connected relationship to prejudice the interests of the Company and shall be held liable for and indemnify any loss caused to the Company.

**Article 163** Any Supervisor who violates laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or any provisions of the Articles of Associations when performing his/her duties in the Company shall be held liable to the Company for any damages caused by such violation.

## **Section 2 Board of Supervisors**

**Article 164** The Company shall have a Board of Supervisors. The Board of Supervisors shall consist of three Supervisors, including two shareholder representative Supervisors and one employee representative Supervisor.

The Board of Supervisors shall have one chairman, whose appointment or dismissal shall be subject to the affirmative vote of more than half of the members of the Board of Supervisors. The chairman of the Board of Supervisors shall convene and preside over the meetings of the Board of Supervisors. If the chairman of the Board of Supervisors cannot or does not perform his/her duties, a Supervisor jointly elected by more than half of the Supervisors shall convene and preside over the meeting.

The shareholder representative Supervisor shall be elected at the general meeting, and the employee representative Supervisor shall be elected at the employee representative assembly of the Company.

**Article 165** The Board of Supervisors shall be accountable to the general meeting and exercise the following functions and powers:

- (I) to review and express its view in writing on corporate securities issuance documents and periodic reports prepared by the Board, with signatures of the Supervisors to be affixed on such written confirmations;
- (II) to examine the Company's finance;
- (III) to supervise the Directors and senior management personnel in the performance of their duties, and to propose the removal of the Directors and senior management personnel that violate laws, administrative regulations, the Articles of Association or resolutions of the general meeting;
- (IV) to require rectification by Directors and senior management personnel if their acts are detrimental to the Company's interests;
- (V) to have the right to be informed of matters within the terms of reference of the Board of Supervisors as stipulated by laws, administrative regulations and the Articles of Association of the Company;
- (VI) to propose the convening of an extraordinary general meeting, and to convene and preside over a general meeting in the event of the Board failing to perform such duties as stipulated in the Company Law;

- (VII) to submit proposals to the general meeting;
- (VIII) to be present at the Board meetings;
- (IX) to initiate legal proceedings against Directors and senior management personnel in accordance with of the Company Law;
- (X) to investigate and, if necessary, to engage professional organizations, such as accounting firms and law firms, to assist its work if it discovers any irregularities in the Company's operations. The expenses thereof shall be borne by the Company;
- (XI) such other functions and powers as granted by the Articles of Association or the general meeting.

Supervisors shall be present at the Board meetings.

**Article 166** The Board of Supervisors shall hold a meeting at least once every six months. A Supervisor may propose to convene an extraordinary meeting of the Board of Supervisors. The notice of the meeting shall be served to all Supervisors in writing 10 days before the meeting, and all Supervisors shall be notified 3 days before the extraordinary meeting.

In case of contingency for which a meeting of the Board of Supervisors is required to be held as soon as practicable, a notice may be given through telephone or other verbal means, provided that the convener shall explain it at the meeting.

**Article 167** The meetings of the Board of Supervisors may be held only if more than half of the Supervisors are present. Voting on the matters considered at the meetings of the Board of Supervisors shall be taken by a poll or by a show of hands, and each Supervisor shall have one vote. A resolution of the Board of Supervisors shall be passed by votes of more than half of Supervisors.

**Article 168** The Supervisory Board may make recommendations on the appointment of accounting firms by the Company or otherwise engage another accounting firm in the name of the Company to independently review the Company's financial positions when necessary and report directly to the securities regulatory authority of the State Council and other relevant departments.

**Article 169** The Board of Supervisors shall establish the rules of procedure for the meetings of the Board of Supervisors specifying the procedures for discussion and voting of the Board of Supervisors so as to ensure the efficiency and rational decision-making of the Board of Supervisors.

The rules of procedure of the Board of Supervisors, which specify the procedures for convening of and voting at the meetings of the Board of Supervisors and are attached to the Articles of Association, shall be formulated by the Board of Supervisors and submitted for approval at the general meeting.

**Article 170** The Board of Supervisors shall record its decisions on all matters considered at the meeting into the meeting minutes. Participating supervisors shall sign the meeting minutes for confirmation.

Supervisors are entitled the right to make certain written explanations for their speeches delivered at the meeting in the minutes. The meeting minutes of the Board of Supervisors shall be kept by secretary to the Board as corporate documents for at least 10 years.

**Article 171** The notices of meetings of the Board of Supervisors shall at least contain the following:

- (I) the date, place and duration of the meeting;
- (II) the matters to be considered and the agenda of the meeting;
- (III) the date of the notice.

## **Chapter 8 Qualifications and Obligations of Directors, Supervisors and Senior Management Personnel**

**Article 172** A person shall be disqualified for being a Director, Supervisor, general manager or other senior management personnel of the Company in any of the following circumstances:

- (I) persons without capacity or with limited capacity for civil acts;
- (II) persons who were convicted and sentenced to penalty for corruption, bribery, encroachment or embezzlement of property or disruption of economic order in socialist market, or persons who were deprived of political rights for committing a crime, and in each case, where five years have not lapsed following the serving of the penalty; or persons who have been granted probation, and in each case, where two years have not lapsed from the date of expiration of the probation period;
- (III) directors, factory heads or managers who bear individual responsibility for the bankruptcy of their companies or enterprises dissolved or put into liquidation, where three years have not lapsed following the date of completion of such bankruptcy or liquidation;
- (IV) the legal representatives of companies or enterprises that had their business licenses revoked or were ordered to close down for violation of law, where such representatives bear individual responsibility and three years have not lapsed following the date of revocation of such business licenses or being ordered to close down;
- (V) persons with relatively significant individual debts that have not been settled upon maturity are listed as dishonest debtor subject to enforcement by the people's court;
- (VI) persons prohibited from participating in the securities market by the CSRC, and such barring period has not lapsed;
- (VII) other circumstances specified by the Company Law, the Securities Law and other laws and regulations and the relevant laws and regulations of the place where the Company's Shares are listed.

**Article 173** The validity of an act of a Director, general manager and other senior management personnel on behalf of the Company for a bona fide third person is not affected by any irregularity in his/her office, election or any defect in his/her qualification.

**Article 174** The Directors, Supervisors, general manager, and other senior management personnel of the Company shall, in exercising their powers and discharging their duties, exercise care, diligence and skills that a reasonably prudent person would exercise in similar circumstances.

**Article 175** The obligations of integrity of the Director, Supervisor, general manager and other senior management personnel of the Company towards the Company do not necessarily cease immediately after the end of their terms of service. Their obligation of confidentiality in respect of trade secrets of the Company shall remain in effect after the end of their terms of office. Other obligations may continue for such period as the principle of fairness may require, depending on the duration between the occurrence of the event concerned and the termination of tenure, and the circumstances and conditions under which the relationships between them and the Company have been terminated.

**Article 176** Where a Director, Supervisor, general manager and other senior management personnel of the Company is, directly or indirectly, materially related in a contract, transaction or arrangement entered into or proposed to be entered into with the Company (other than an employment contract of each Director, Supervisor, general manager and other senior management personnel with the Company), he/she shall declare the nature and extent of his/her relationship with the Board at the earliest opportunity, whether or not the relevant issues shall be otherwise subject to approval of the Board.

Excluding such exceptions stipulated by the securities listing rules, no Directors shall vote on any contract, transaction or arrangement or any other relevant proposal in which they or any of their close associates (as defined in the applicable securities listing rules effective from time to time) have material interests. When determining whether a quorum for the meeting is attained, relevant Directors shall not be counted in.

Unless the related Director, Supervisor, general manager and other senior management personnel of the Company have made a disclosure of his/her interests to the Board as required in the preceding paragraph of this Article and the Board has approved the same at a meeting where such persons have not been counted in the quorum nor have voted, the Company has the power to revoke such contract, transaction or arrangement except where the other party is a bona fide third party without knowledge of the breach of the obligations of such Director, Supervisor, manager and other senior management personnel.

Each Director, Supervisor, general manager and other senior management personnel of the Company shall be deemed to be related in a contract, transaction or arrangement in which any associate of the Director, Supervisor, general manager and other senior management personnel is related.

**Article 177** The Company shall enter into a written contract with each Director, Supervisor, general manager and other senior management personnel and such contract shall at least include the following provisions:

- (I) the Directors, Supervisors, general manager and other senior management personnel shall undertake to the Company that he/she will observe and comply with the Company Law, the Articles of Association, the Codes on Takeovers and Mergers and Share Buybacks, and other provisions formulated by SFC and the Hong Kong Stock Exchange, and agree that the Company is entitled to the remedies provided in the Articles of Association and that neither the contract nor his/her position of office may be transferred.
- (II) the Directors, Supervisors, general manager and other senior management personnel shall undertake to the Company that he/she shall observe and perform his/her duties to the Shareholders as stipulated in the Articles of Association.
- (III) the clause provided for in relevant laws and regulations and in the Hong Kong Listing Rules.

## **Chapter 9 Financial and Accounting System, Distribution of Profits and Audit**

### **Section 1 Financial and Accounting System**

**Article 178** The Company shall establish its financial accounting system in accordance with the provisions of the laws, administrative regulations and the provisions of competent state authorities.

**Article 179** The Company shall prepare financial reports at the end of each fiscal year, and such reports shall be examined and verified.

The fiscal year of the Company shall coincide with the calendar year of January 1 through December 31 on the Gregorian calendar.

The abovementioned financial accounting reports are prepared in accordance with relevant laws, administrative regulations, departmental rules and the Hong Kong Listing Rules.

**Article 180** The Board of Directors shall make available before every general meeting such financial reports prepared by the Company in accordance with relevant laws, administrative regulations, departmental rules, regulatory documents and the Hong Kong Listing Rules.

**Article 181** Unless otherwise specified in the Articles of Association, the Company shall deliver, by personal delivery or prepaid post, the abovementioned reports or the report of Directors, together with the balance sheet (including every document to be attached to the balance sheet as required by laws) and profit statement or the statement of income and expenditure (if applicable), to each Shareholder of H Shares at the address as registered in the register of members at least 21 days before such annual general meeting. Subject to the compliance with the laws, administrative regulations and the listing rules of the place where the Shares of the Company are listed, the Company may publish such documents by way of announcements, including announcement via the Company's website. Upon announcement and after completion of the procedures required by the listing rules of Hong Kong, the abovementioned financial reports are deemed to have been served to all Shareholders.

**Article 182** The Company shall disclose two financial reports in each accounting year, i.e., its interim financial reports within 60 days after the end of the first six months of an accounting year and its annual financial reports within 120 days after the end of the accounting year.

The regulations of the securities regulatory authorities of Hong Kong shall prevail over any other regulations.

**Article 183** The Company shall not maintain any account books other than the statutory account books. The funds of the Company shall not be deposited in any personal account.

**Article 184** In the event of allocation of its after-tax profits for the year, the Company shall set aside 10% of its profits for the Company's statutory common reserve fund until the fund has reached more than 50% of the Company's registered capital.

In the event that the Company's statutory common reserve fund is not sufficient to make up for the Company's losses for the previous years, the profits of the current year shall first be used to cover the losses before any allocation is set aside for the statutory common reserve fund pursuant to the preceding provision.

After making allocations to the statutory common reserve fund from its after-tax profits, the Company may, upon passing a resolution at a general meeting, make further allocations from its after – tax profits to the discretionary common reserve fund.

After the Company covers its losses and makes allocations to its discretionary common reserve fund, the remaining after-tax profits may be distributed in proportion to the number of Shares held by the Shareholders, except for those which are not distributed in a proportionate manner as provided by the Articles of Association.

In the event that the Company violates the provisions of the Company Law and the Articles of Association by distributing profits to Shareholders, they shall return the profits so distributed in violation of the preceding requirements to the Company; Shareholders and responsible Directors, Supervisors, and senior management personnel shall be liable to compensate for the losses thereof.

The Company shall not participate in the distribution of profits in respect of the Shares that it holds.

**Article 185** The Company's common reserve fund shall be applied to cover the losses of the Company, expand its business operations or be converted to increase the capital of the Company.

The discretionary common reserve fund and statutory common reserve fund should be used first to cover the Company's losses; if it cannot be covered, the capital reserve fund can be used according to the regulations.

Capital reserve fund includes the following items:

- (I) premium received when Shares are issued at a premium to their par value;
- (II) any other income required by the competent finance department of the State Council to be included in the capital reserve fund.

Upon the conversion of statutory common reserve fund into an increase in registered capital, the balance of the common reserve fund shall not be less than 25% of the registered capital of the Company before such conversion.

**Article 186** After the resolution on the profit distribution plan has been adopted at the general meeting of the Company, the Board of Directors of the Company shall complete the distribution of dividends (or Shares) within two months from the convening of the general meeting. If the specific proposals cannot be implemented within 2 months due to the requirements of laws and regulations or the securities regulatory rules of the place where the Company's Shares are listed, the implementation date of the specific proposals may be adjusted accordingly in accordance with such requirements and the actual circumstances.

**Article 187** The Company may distribute dividends in the form of (or a combination of both):

- (I) cash;
- (II) shares.

Dividend and other payments by the Company to the holders of the Domestic Shares shall be denominated and declared in RMB and paid in RMB within 3 months after the declaration of the dividend, whereas those to holders of the Foreign Shares shall be denominated and declared in RMB and paid in foreign currencies within 3 months after the declaration of the dividend. The exchange rate shall be the average closing price of the relevant foreign exchange published by the People's Bank of China 5 working days before the date of declaration of the dividends or other payment. The foreign currency for cash dividends and other payments by the Company to the holders of Foreign Shares shall be handled in accordance with relevant state regulations on foreign exchange control. The dividend distribution of the Company shall be implemented by the Board of Directors authorized by an ordinary resolution approved by the general meeting.

**Article 188** The Company shall appoint a receiving agent for the holders of H Share. The agent shall collect on behalf of Relevant Shareholders the dividends distributed and other amounts payable in respect of H Shares.

The receiving agent appointed by the Company shall meet the requirements of the laws of the place, or relevant provisions of the stock exchange, where the Shares are listed.

## **Section 2 Internal Audit**

**Article 189** The Company is in place an internal audit system, which specifies the leadership system, responsibilities and authorities, staffing, funding guarantee, utilization of audit results, and accountability mechanisms for internal audit work.

The internal audit system shall be implemented upon approval by the Board of Directors and publicly disclosed.

**Article 190** The internal audit function shall be responsible for supervising and inspecting the Company's business operations, risk management, internal controls, financial information, and other matters.

The internal audit function shall maintain independence, be staffed with full-time auditors, and must not be placed under the leadership of the finance department or co-located with the finance department.

**Article 191** The internal audit function shall be accountable to the Board of Directors.

While supervising and inspecting the business activities, risk management, internal controls, and financial information of the Company, the internal audit function shall accept oversight and guidance from the audit committee. Where major issues or leads are identified, the internal audit function shall immediately report them directly to the audit committee.

**Article 192** The internal audit function shall be responsible for organizing and executing the Company's internal control evaluation process. Based on evaluation reports prepared by the internal audit function and reviewed by the audit committee, along with supporting materials, the Company shall issue an annual internal control evaluation report.

**Article 193** When the audit committee communicates with external auditors such as accounting firms or state audit agencies, the internal audit function shall actively cooperate and provide necessary support and assistance.

**Article 194** The audit committee participates in the performance evaluation of the head of internal audit.

## **Section 3 Engagement of Accounting Firm**

**Article 195** The Company shall engage an accounting firm which is qualified under the provisions of the Securities Law to audit accounting statements, verify net assets and provide other relevant consultation services. The term of such engagement is one year, commencing from the conclusion of the current annual general meeting of the Company until the conclusion of the next annual general meeting. The engagement may be renewed.

**Article 196** The engagement and dismissal of an accounting firm by the Company shall be determined at the general meeting. The Board of Directors shall not engage an accounting firm before any decision is made at the general meeting.

**Article 197** If there is a casual vacancy in the position of accounting firm of the Company, the Board may appoint an accounting firm to fill such casual vacancy before the convening of the general meeting, but the appointment shall be confirmed by the Shareholders at the next general meeting. Any other accounting firm which has been appointed by the Company may continue to act during the period of such vacancy.

**Article 198** Notwithstanding any terms stipulated in the contract between the accounting firm and the Company, the general meeting may, by way of an ordinary resolution, resolve to remove such accounting firm before the expiration of its term of office, without prejudice to the rights of the firm to claim for damages in respect of such removal.

**Article 199** The Company ensures to provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal or withholding or falsification of information.

**Article 200** The remuneration of the accounting firm or the determination of the remuneration is subject to the decision of the general meeting. The decision on engaging, removing or not renewing the engagement of an accounting firm shall be made by the general meeting.

A 30-day prior notice shall be given to the accounting firm if the Company decides to remove such accounting firm or not to renew the engagement thereof. The accounting firm is entitled to make representations at the general meeting of the Company before the voting on a resolution regarding the removal of such accounting firm is conducted thereat.

## **Chapter 10 Notice and Announcement**

**Article 201** A notice of the Company shall be sent by:

- (I) hand;
- (II) mail;
- (III) announcement;
- (IV) fax;
- (V) email;
- (VI) publishing on the Company's website or the websites designated by the stock exchange subject to laws, administrative regulations and the Hong Kong Listing Rules;
- (VII) other means agreed between the Company and the recipient of the notice in advance or accepted by the recipient of the notice after receiving such notice;
- (VIII) other means recognized by relevant regulatory authorities of the place where the Shares of the Company are listed or provided in the Articles of Association.

Unless the context otherwise requires, the “announcement” referred to in the Articles of Association means, as to the announcements published to the holders of Domestic Shares or the announcements required to be published in the PRC according to relevant requirements and the Articles of Association, an announcement published on any newspaper in the PRC as stipulated under the laws and administrative regulations of the PRC or designated by the securities authority of the State Council; notices delivered to the Shareholders of overseas listed foreign shares, where the notices are published as announcements, shall be on the same date submitted in electronic form to the Hong Kong Stock Exchange through the Hong Kong Stock Exchange’s electronic publication system for immediate release on the website of the Hong Kong Stock Exchange in accordance with the requirements of the local listing rules or in newspapers (including advertisements in newspapers) in accordance with the requirements of the local listing rules. Announcements shall also be published on the Company’s website at the same time. In addition, unless otherwise required in the Articles of Association, the announcements must be served by hand or prepaid mail to the registered address as set out in the register of holders of overseas listed foreign shares so that the Shareholders are fully informed and have enough time to exercise his/her rights or act as required by the provisions of the notice.

Shareholders of the Company’s overseas listed foreign shares may select to receive corporate communication from the Company in electronic form or printed copies by mail, and the Shareholders may also select to receive Chinese or English version only, or both. Shareholders may give written notice in advance to the Company within reasonable time to revise the method of receiving foregoing information and its language version under appropriate procedures.

Shareholders or Directors who wish to prove that a notice, document, information or written statement has been served to the Company shall provide evidence showing the same has been served to the correct address by ordinary means or by prepaid mail within the designated periods.

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

**Article 202** Unless otherwise stated in the Articles of Association, the various means of releasing notices specified in the preceding provisions shall apply to the notices of the general meeting, board meetings and the meetings of the Board of Supervisors convened by the Company.

**Article 203** Once a notice of the Company is delivered in the form of announcement, all related persons are deemed to have been notified after conducting relevant procedure as stipulated in the Listing Rules of the place where the Company's Shares are listed.

The listing rules of the place where the Company's shares are listed shall prevail over any other rules.

**Article 204** If a notice of the Company is delivered by hand, the date of service shall be the date when the recipient signed or stamped to acknowledge receipt of the same; for notice of the Company sent by mail, the date of service shall be the fifth day from the date on which the post office receives the notice; If the Company's notice is sent by fax, the date of service shall be the date when the fax enters the designated receiving system of the person to be served. If the Company's notice is sent by mail, the date of service shall be the date when the e-mail enters the mailbox system designated by the person to be served. If it is issued by announcement, the date of delivery shall be the date when the Company publishes the first announcement in the designated media.

If the listing rules of the place where the Company's Shares are listed stipulate that the Company shall send, post, distribute, issue, announce or otherwise provide relevant documents of the Company in English and Chinese, and if the Company has made appropriate arrangement to confirm whether the Shareholders intend to receive only the English version or the Chinese version, the Company may (as per the intent stated by the Shareholders) send only the English version or the Chinese version to the related Shareholders as permitted by applicable laws and regulations.

**Article 205** If a notice of meeting is accidentally omitted to be sent to a person who is entitled to receive the notice or if such person has not received the notice of meeting, the meeting and any resolutions made therein shall not become void thereby.

## **Chapter 11 Merger, Division, Increase and Reduction of Capital, Dissolution and Liquidation**

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

**Article 206** For a merger or division of the Company, the Board shall put forward a proposal, and fulfill the procedures for approval in accordance with the law after the proposal is approved in accordance with the procedures specified in the Articles of Association of the Company. Shareholders who oppose the Company's merger or division plans have the right to require the Company or the Shareholders who agree to the merger or division plans to purchase the Shares of such Shareholders at a fair price. The content of the resolution on the merger or division of the Company shall be prepared in a special document, which shall be available for Shareholders to inspect. With regard to the holders of H shares of the Company listed in Hong Kong, the aforesaid documents shall also be served by mail in accordance with the provisions in Chapter 10 in the Article of Association.

**Article 207** The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

Absorption means that a company absorbs another company and the absorbed company will be dissolved. Where two or more companies merge into a new company, companies involved in the merger will be dissolved.

When the Company merges with a company in which it holds more than 90% of its shares, the merged company does not need a resolution of the general meeting, but shall notify other Shareholders who shall have the right to request the Company to purchase their equity or shares at a reasonable price.

Where the payment for a company merger does not exceed 10% of the net assets of the Company, it may not be subject to a resolution of the general meeting, unless otherwise stipulated in the Articles of Association.

Where the Company's merger in accordance with the provisions of the preceding paragraph is not subject to a resolution of the general meeting, it shall be subject to a resolution of the Board of Directors.

**Article 208** In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's merger resolution and shall publish an announcement on the information disclosure media designated by the Company or on the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution. The creditors may, within 30 days after receiving such notice or, for those who do not receive the notice, within 45 days from the date of the announcement, demand the Company to settle their debts or provide corresponding guarantees for such debts.

**Article 209** After the merger of the Company, the claims and debts of the parties to the merger shall be assumed by the surviving company or the newly established company.

**Article 210** When the Company is divided, its assets shall be split up accordingly.

In the event of a division, the Company shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's resolution on division, and shall publish an announcement on the information disclosure media designated by the Company within 30 days from the date of such resolution.

**Article 211** The companies which exist after the division shall be jointly and severally liable for the debts of the Company prior to the division, except when the Company has reached a written agreement on debt settlement with the creditors before the division.

**Article 212** Where the Company is required to reduce its registered capital, it shall prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days from the date of the Company's resolution on reduction of registered capital and shall publish an announcement on the information disclosure media designated by the Company within 30 days from the date of such resolution. The creditors may, within 30 days after receiving such notice or, for those who do not receive the notice, within 45 days from the date of the announcement, demand the Company to settle their debts or provide corresponding guarantees for such debts.

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

**Article 213** Where the Company still incurs losses after applying the provisions of Article 185(2) of the Articles of Association, it may reduce its registered capital to offset such losses.

When reducing registered capital to cover losses, the Company shall not distribute any funds to Shareholders nor waive Shareholders' obligations to pay capital contributions or share payments.

A registered capital reduction under the preceding paragraph shall not be subject to Article 212(2) of the Articles of Association. However, the Company shall publish an announcement within 30 days from the date on which resolution of the general meeting was made, either in a newspaper or on the National Enterprise Credit Information Publicity System.

After the Company reduces its registered capital in accordance with the provisions of the preceding two paragraphs, it shall not distribute profits until the accumulated amount of the statutory common reserve fund and discretionary common reserve fund reaches 50% of the Company's registered capital.

**Article 214** Where the registered capital is reduced in violation of the provisions of the Company Law, the Shareholders shall return the funds they have received. Where the capital contributions of the Shareholders are reduced or exempted, the original state shall be restored. If losses are caused to the Company, Shareholders and responsible Directors, Supervisors and senior management shall bear the liability for compensation.

When the Company issues new shares to increase capital, Shareholders shall not have preemptive rights, unless otherwise stipulated in the Articles of Association or as determined by resolution of the general meeting.

**Article 215** Where a merger or division of the Company involves any change in the registered items, such changes shall be registered with the company registration authority according to law. Where the Company is dissolved, cancellation of the Company's registration shall be carried out according to law. Where a new company is formed, the registration of such company's incorporation shall be carried out pursuant to law.

In the event that the Company increases or decreases its registered capital, it shall register the changes with the company registration authority in accordance with the laws.

## **Section 2   Dissolution and Liquidation**

**Article 216** The Company shall be dissolved for the following reasons:

- (I) a resolution on dissolution is passed at a general meeting;
- (II) dissolution as a result of a merger or division of the Company;
- (III) the Company's business license is revoked or the Company is ordered to close down or deregistered according to law;
- (IV) where the Company encounters major difficulties in its operation and management and its continuation may cause substantial loss to the interests of Shareholders, and no solution can be found through any other channel, Shareholders holding more than 10% of the voting rights of all Shareholders of the Company may request the People's Court to dissolve the Company;
- (V) other events of dissolution specified in laws, regulations and the Articles of Association have occurred.

Where the Company encounters any events of dissolution as stipulated in the preceding provisions, it shall publicly announce the events of dissolution through the National Enterprise Credit Information Publicity System within ten days.

**Article 217** Where the Company falls under Article 216(I) or (II) of the Articles of Association and has not yet distributed assets to Shareholders, it may continue to exist by either amending the Articles of Association or by resolution of the general meeting.

Any amendment to the Articles of Association under the preceding provision shall require approval by at least two-thirds of the voting rights held by Shareholders present at the general meeting.

**Article 218** The Company shall undergo liquidation if dissolved under items (I), (III), (IV) and (V) of Article 216 of the Articles of Association. Directors shall serve as the obligors of liquidation and shall form a liquidation committee within fifteen days from the occurrence of the events of dissolution. The members of the liquidation committee shall be determined by the Directors or the general meeting. If the liquidation obligor fails to perform the liquidation obligation in a timely manner and causes losses to the Company or creditors, it shall bear the liability for compensation. In case no liquidation committee is established within the specified period to commence liquidation, or a liquidation committee is established but the liquidation is not commenced, the interested parties may apply to the People's Court to designate relevant persons to form a liquidation committee and commence liquidation.

Where the Company is dissolved in accordance with the provisions of Article 216(III), the department that made the decision to revoke the business license, order it to close down or revoke the company or the company registration authority may apply to the People's Court to designate relevant persons to form a liquidation committee and commence liquidation.

**Article 219** The liquidation committee shall exercise the following functions and powers during the period of liquidation:

- (I) sorting out the property of the Company, and preparing a balance sheet and an inventory of assets separately;
- (II) serving notices or making announcements to creditors;
- (III) processing the unfinished businesses of the Company related to the liquidation;
- (IV) clearing off the outstanding taxes and the taxes incurred in the course of liquidation;
- (V) clearing off credits and debts;
- (VI) allocating the residual property of the Company after settling debts;
- (VII) participating in the civil litigation on behalf of the Company.

**Article 220** The liquidation committee shall, within 10 days of its establishment, notify the creditors, and shall, within 60 days of its establishment, make an announcement on the information disclosure media designated by the Company. The creditors shall, within 30 days of the receipt of the notice or, for those who do not receive the notice, within 45 days from the date of the announcement, file their creditors' rights with the liquidation committee.

Creditors who file their creditors' rights shall explain about the matters related to creditors' rights and provide supporting materials. The liquidation committee shall register the creditors' rights.

The liquidation committee may not clear off any of the debts of any creditors during the period of filing creditors' rights.

**Article 221** After the liquidation committee has sorted out the property of the Company and prepared the balance sheets and inventories of assets, it shall prepare a plan of liquidation and submit it to the general meeting or People's Court for confirmation.

After settling the liquidation expenses, wages of employees, social insurance premiums and statutory compensation, the outstanding taxes and the debts of the Company, the residual property of the Company shall be distributed in proportion to shareholding of the Shareholders.

During the period of liquidation, the Company continues to exist but may not carry out any business operation unrelated to the liquidation. Before the settlement of repayments as provided in the preceding paragraphs, the Company's property shall not be distributed to Shareholders.

**Article 222** Should the liquidation committee find that the property of the Company are insufficient for clearing off the debts after sorting out such property and preparing the balance sheets and inventories of assets, it shall file a petition for bankruptcy liquidation with the People's Court pursuant to laws.

Once the People's Court accepts the bankruptcy application, the liquidation committee shall transfer the liquidation affairs to the bankruptcy administrator designated by the People's Court.

**Article 223** Following the completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report, such committee shall submit the same to the general meeting or relevant competent authorities for confirmation. The Company shall submit the same to the company registration authority to apply for deregistration of the Company and announce its termination.

**Article 224** Members of the liquidation committee shall perform their liquidation duties and shall be obligated to be loyal and diligent.

Any member of the liquidation committee who fails to perform liquidation duties diligently, thereby causing losses to the Company, shall be liable for compensation; and any member of the liquidation committee who intentionally or through gross negligence causes losses to the Company or its creditors shall be liable for compensation.

**Article 225** Where the Company is declared bankrupt in accordance with the law, it shall carry out bankruptcy liquidation in accordance with relevant corporate bankruptcy laws.

## **Chapter 12 Amendment to Articles of Association**

**Article 226** Under any of the following circumstances, the Company shall amend the Articles of Association:

- (I) after amendment has been made to the Company Law or relevant laws or administrative regulations, the provisions of the Articles of Association will conflict with the amended laws or administrative regulations;
- (II) the changes that the Company has undergone are not in consistency with the records made in the Articles of Association;
- (III) the general meeting decides that the Article of Association should be amended.

**Article 227** Where amendments to the Articles of Association passed by resolutions at the general meeting require examination and approval by competent authorities, such amendments shall be submitted for approval by the original competent approval authorities. Should the items registered by the Company are involved, such changes shall be registered according to law.

**Article 228** The Board of Directors shall amend the Articles of Association according to the resolutions of the general meeting and the review opinions of the relevant competent authority.

**Article 229** Any amendment to the Articles of Association that involves information to be disclosed as required by laws and regulations shall be announced to the public as required.

## **Chapter 13 Supplementary Provisions**

**Article 230** Definitions

- (I) Controlling Shareholder means a Shareholder whose capital contribution amounts to more than 50% of the total capital of a company with limited liability, or a Shareholder whose shares amount to more than 50% of the total share capital of a joint stock limited company; or a Shareholder whose proportion of capital contribution or shares is less than 50% but the voting right arising from his/her capital contribution or the shares is significant to the extent that such Shareholder may exert significant influence over the resolution of the general meeting.
- (II) A de facto controller means a natural person, legal entity, or other organization that actually controls corporate behaviors through investment relationship, agreements, or any other arrangements.

**Article 231** The phrases “more than” and “within” herein for the numbers include the numbers indicated themselves, while the phrases “above”, “beyond”, “lower than” and “over” exclude the numbers indicated themselves.

**Article 232** Disputes concerning the provisions of the Articles of Association of the Company among the Company, Shareholders, Directors, Supervisors and senior management shall be first settled through negotiation. Where the disputes cannot be settled through negotiation between the parties, each party has the right to submit litigation to the People’s Court with jurisdiction over the Company’s place of incorporation.

**Article 233** In the Articles of Association, references to “accounting firm”, “related” and “related parties” shall have the same meaning as the “auditor”, “connected” and “connected person” referred to the Hong Kong Listing Rules.

**Article 234** It shall be the responsibility of the Board of Directors to interpret the Articles of Association.

**Article 235** The rules of procedures for shareholders’ general meetings, meetings of the Board of Directors and meetings of the Board of Supervisors are annexed to the Articles of Association.

**Article 236** The Articles of Association shall take effect after being considered and approved at the general meeting of the Company. The draft amendments to the Articles of Association shall be prepared by the Board of Directors and shall take effect upon the approval at a general meeting.

**Article 237** The Articles of Association are prepared in Chinese, and any discrepancies between the Articles of Association and other languages or versions in other Articles of Association, the latest Chinese version shall prevail that as approved by the competent authority in charge of the Company’s registration. Should there be any discrepancies between the versions in other languages and the Chinese version, the Chinese version shall prevail.