

**CONTIOCEAN ENVIRONMENT TECH  
GROUP CO., LTD.**

**ARTICLES OF ASSOCIATION**

## Content

<b>Chapter I</b>	<b>General Provisions. . . . .</b>	<b>1</b>
<b>Chapter II</b>	<b>Purpose and Scope of Business . . . . .</b>	<b>3</b>
<b>Chapter III</b>	<b>Shares . . . . .</b>	<b>3</b>
<b>Section 1</b>	<b>Issuance of Shares . . . . .</b>	<b>3</b>
<b>Section 2</b>	<b>Increase, Reduction and Repurchase of Shares . . . . .</b>	<b>5</b>
<b>Section 3</b>	<b>Transfer of Shares . . . . .</b>	<b>7</b>
<b>Chapter IV</b>	<b>Shareholders and Shareholders' Meeting . . . . .</b>	<b>9</b>
<b>Section 1</b>	<b>Shareholders. . . . .</b>	<b>9</b>
<b>Section 2</b>	<b>General Provisions of the Shareholders' Meeting. . . . .</b>	<b>14</b>
<b>Section 3</b>	<b>Convocation of Shareholders' Meeting . . . . .</b>	<b>20</b>
<b>Section 4</b>	<b>Proposals and Notices of the Shareholders' Meeting . . . . .</b>	<b>21</b>
<b>Section 5</b>	<b>Convening of the Shareholders' Meeting . . . . .</b>	<b>24</b>
<b>Section 6</b>	<b>Voting and Resolutions of Shareholders' Meetings . . . . .</b>	<b>28</b>
<b>Section 7</b>	<b>Special Procedures for Voting by Class Shareholders . . . . .</b>	<b>34</b>
<b>Chapter V</b>	<b>Board of Directors . . . . .</b>	<b>36</b>
<b>Section 1</b>	<b>Directors . . . . .</b>	<b>36</b>
<b>Section 2</b>	<b>Board of Directors . . . . .</b>	<b>42</b>
<b>Chapter VI</b>	<b>General Managers and Other Senior Management Officers . . . .</b>	<b>48</b>

<b>Chapter VII</b>	<b>Board of Supervisors . . . . .</b>	<b>50</b>
<b>Section 1</b>	<b>Supervisors . . . . .</b>	<b>50</b>
<b>Section 2</b>	<b>Board of Supervisors . . . . .</b>	<b>52</b>
<b>Chapter VIII</b>	<b>Financial and Accounting System,     Profit Distribution and Audit . . . . .</b>	<b>54</b>
<b>Section 1</b>	<b>Financial and Accounting System . . . . .</b>	<b>54</b>
<b>Section 2</b>	<b>Profit Distribution System . . . . .</b>	<b>55</b>
<b>Section 3</b>	<b>Internal Audit . . . . .</b>	<b>56</b>
<b>Section 4</b>	<b>Appointment of Accountant Firm . . . . .</b>	<b>56</b>
<b>Chapter IX</b>	<b>Notices and Announcements . . . . .</b>	<b>57</b>
<b>Chapter X</b>	<b>Merger, Demerger, Capital Increase and Reduction,     Dissolution and Liquidation . . . . .</b>	<b>58</b>
<b>Section 1</b>	<b>Merger, Demerger, Capital Increase and Reduction . . . . .</b>	<b>58</b>
<b>Section 2</b>	<b>Dissolution and Liquidation . . . . .</b>	<b>60</b>
<b>Chapter XI</b>	<b>Amendments to Articles of Association . . . . .</b>	<b>63</b>
<b>Chapter XII</b>	<b>Investor Relations Management . . . . .</b>	<b>63</b>
<b>Chapter XIII</b>	<b>Supplementary Provisions . . . . .</b>	<b>67</b>

## Chapter I General Provisions

**Article 1** In order to safeguard the legitimate rights and interests of ContiOcean Environment Tech Group Co., Ltd. (hereinafter referred to as the “**Company**”), shareholders, employees and creditors, and regulate the Company’s organization and behavior, these Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “**Company Law**”), “Securities Law of the People’s Republic of China” (hereinafter referred to as the “**Securities Law**”), “Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies”, “Measures for the Supervision and Administration of Unlisted Public Companies”, “Governance Rules for Companies Listed on the National Equities Exchange and Quotations” and “Business Rules of the National Equities Exchange and Quotations (Trial)” (hereinafter referred to as the “**Business Rules**”), “Guidelines for the Articles of Association of Listed Companies” and “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” (hereinafter referred to as the “**Hong Kong Listing Rules**”) and other relevant laws, administrative regulations, departmental rules, normative documents and relevant regulations of relevant regulatory authorities.

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

**Article 3** The Company was established as a whole by its predecessor, ContiOcean Environment Tech Co., Ltd. (hereinafter referred to as the “**Former Company**”), and was registered with the Shanghai Municipal Administration for Market Regulation and obtained a business license.

**Article 4** The Company was registered with the China Securities Regulatory Commission (hereinafter referred to as the “**CSRC**”) on December 6, 2024 and the initially issued 10,000,000 ordinary shares of overseas listed foreign shares (H shares) with a par value of RMB1 each to overseas investors, were approved by The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Hong Kong Stock Exchange**”) to be listed on the Main Board of the Hong Kong Stock Exchange on January 9, 2025 (the “**IPO of H Shares**”).

**Article 5** Registered Name of the Company: (Chinese) 上海匯舸環保科技集團股份有限公司  
(English) ContiOcean Environment Tech Group Co., Ltd.

**Article 6** Domicile: Room 1101, No. 2, Maji Road, China (Shanghai)  
Free Trade Pilot Zone

**Article 7** The registered capital of the Company was RMB40 million.

**Article 8** The Company is a joint stock limited company with permanent existence.

**Article 9** The chairman of the board of directors shall be the legal representative of the Company. If the chairman of the board of directors, who is the legal representative, resigns, he is deemed to have resigned as the legal representative at the same time. If the legal representative resigns, the Company shall determine a new legal representative within 30 days from the date of resignation of the legal representative.

**Article 10** The entire assets of the Company shall be divided into equal shares. The shareholders shall be liable to the Company to the extent of the shares subscribed by them. The Company shall be liable for the debts of the Company with all its assets.

**Article 11** These Articles of Association shall be a legally binding document that regulates the Company's organization and behavior, the rights and obligations between the Company and its shareholders as well as among the shareholders once it goes into effect, and is legally binding on the Company, its shareholders, directors, supervisors and senior management officers.

Disputes between the Company, shareholders, directors, supervisors and senior management officers involving the provisions of these Articles of Association shall be resolved through consultation first. If the consultation fails, the dispute may be resolved by filing a lawsuit with the people's court having jurisdiction over the place where the Company is registered. Pursuant to these Articles of Association, the shareholders may sue the shareholders, the shareholders may sue the directors, supervisors, general managers and other senior management officers of the Company, the shareholders may sue the Company, and the Company may sue the shareholders, directors, supervisors, general managers and other senior management officers.

Other senior management officers as referred to in these Articles of Association means the chief financial officer, the secretary of the board of directors, etc. of the Company.

**Article 12** The Company shall, in accordance with the provisions of the Constitution of the Communist Party of China, establish Communist Party organizations and carry out Party activities. The Company shall provide the necessary conditions for the activities of the Party organizations.

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

**Article 13** The purpose of business of the Company: to promote renewable energy and protect our blue planet.

**Article 14** After being registered in accordance with the law, the scope of business of the Company is: engaging in technology development, technical consulting, technical services, technology transfer in the fields of environmental protection technology, shipbuilding and marine engineering equipment technology, and wholesale of ship equipment and accessories, electromechanical equipment, and environmental protection equipment, import and export, commission agency (except auction) and related supporting services, ship and marine engineering equipment installation and maintenance, and specialized construction for electrical and mechanical equipment installation. (Items subject to approval in accordance with the law can only commence business activities after approval by the relevant authorities)

## **Chapter III Shares**

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

**Article 15** Shares of the Company shall take the form of share registered certificates. If the Company's shares are listed on the National Equities Exchange and Quotations (hereinafter referred to as the "**Listing**"), they shall be centrally registered with China Securities Depository and Clearing Corporation Limited. The H shares issued by the Company are mainly held in custody by a trustee company under Hong Kong Securities Clearing Company Limited. If the share capital of the Company includes non-voting shares, the words "non-voting" shall be inserted into the names of such shares. Where the share capital includes shares with different voting rights, the words "limited voting rights" or "restricted voting rights" shall be inserted into the name of each class of shares (other than those with the most favorable voting rights).

**Article 16** Shares of the Company shall be issued in a transparent, fair and equal manner and shares of the same class shall rank *pari passu* in all respects.

Each of the shares of the same class shall be issued under the same conditions and at the same price in each issuance, and the same price shall be paid for each of the shares subscribed for by any entity or individual.

**Article 17** Shares issued by the Company are all ordinary shares denominated in Renminbi (RMB).

**Article 18** The Company shall convert the audited net asset value of the Former Company of RMB89,010,434.87 into 20,000,000 shares of the Company (RMB20,000,000 into the Company's share capital and RMB69,010,434.87 into the Company's capital reserve), with a nominal value of RMB1 each, on the basis of 31 August 2022.

If the shareholders of the Former Company jointly serve as the promoters of the Company, the total number of shares of the Company multiplied by their respective capital contributions in the Former Company shall constitute the number of shares held by them as promoters at the time of the establishment of the Company, the details of which are as follows:

- (1) Subscription of 6,525,000 shares by Zhou Yang, the promoter; method of capital contribution: net assets converted into shares; capital contribution date: 31 August 2022.
- (2) Subscription of 5,437,500 shares by Zhao Mingzhu, the promoter; method of capital contribution: net assets converted into shares; capital contribution date: 31 August 2022.
- (3) Subscription of 5,437,500 shares by Chen Zhiyuan, the promoter; method of capital contribution: net assets converted into shares; capital contribution date: 31 August 2022.
- (4) Subscription of 1,600,000 shares by Huzhou ContiOcean Equity Investment Partnership (LP) (湖州匯舸股權投資合夥企業(有限合夥)), the promoter; method of capital contribution: net assets converted into shares; capital contribution date: 31 August 2022.
- (5) Subscription of 1,000,000 shares by Shu Wa Tung, Laurence, the promoter; method of capital contribution: net assets converted into shares; capital contribution date: 31 August 2022.

**Article 19** The Company was established through the overall change of its predecessor, ContiOcean Environment Tech Co., Ltd., and was established by sponsorship. Upon the establishment of the Company, the promoters of Article 18 have paid up their respective contributions to the registered capital.

**Article 20** The Company shall not provide gifts, loans, guarantees or other financial assistance for others to acquire shares of the Company or its parent company, except for the implementation of the Company's employee stock ownership plan.

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

In the event that a violation of the preceding two paragraphs causes losses to the Company, the responsible directors, supervisors and senior management officers shall be liable for compensation.

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

**Article 21** Based on its operating and development needs, the Company may, pursuant to the laws and regulations, the Hong Kong Listing Rules and other securities regulatory rules of the places where the Company's shares are listed, and with the approval by resolutions at the shareholders' meeting, increase its registered capital in the following ways:

- (1) Public offering of shares in fulfillment of statutory procedures;
- (2) Private offering of shares;
- (3) Distributing bonus shares to existing shareholders;
- (4) Converting capital reserves into share capital; and
- (5) Adopting any other means stipulated in the laws and administrative regulations and approved by securities regulatory authorities of the places where the Company's shares are listed, the CSRC and Hong Kong Stock Exchange.

If the Company's shares are issued in the way of cash subscription, the Company's existing shareholders are not entitled to the preemptive right of the issued shares under the same conditions.

The Company may reduce its registered capital. The reduction in registered capital shall be made in accordance with the procedures set out in Company Law, other applicable regulations, and these Articles of Association.

**Article 22** Shareholders who vote against any resolution adopted at the shareholders' meeting may request the Company to acquire their shares at a reasonable price under one of the following circumstances:

- (1) The Company has not distributed profits to shareholders for 5 consecutive years, provided, however, that the Company has been profitable for the past 5 consecutive years and has satisfied the profit distribution conditions stipulated in Company Law;
- (2) The Company has transferred its main properties; or
- (3) The Company continues to exist by amending the Articles of Association through a resolution adopted at the shareholders' meeting despite the occurrence of reasons for dissolution as stipulated in these Articles of Association.

If a shareholder and the Company fail to reach an agreement on the purchase of shares within 60 days from the date of the resolution adopted at the shareholders' meeting, the shareholder may file a lawsuit against the people's court within 90 days from the date of the resolution adopted at the shareholders' meeting.



Shares of the Company acquired by the Company as a result of the circumstances stipulated in first paragraph thereof shall be transferred or canceled within 6 months in accordance with the law.

**Article 23** The Company may, in accordance with the provisions set out in the laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed and these Articles of Association, purchase its shares under the following circumstances:

- (1) Reduction of the Company's registered capital;
- (2) Merger with another company which holds the shares of the Company;
- (3) Use of shares for employee stock ownership plans or equity incentives;
- (4) Request to the Company to acquire the shares from shareholders who vote against any resolution adopted at the shareholders' meeting on the merger or demerger of the Company;
- (5) Use of shares to convert corporate bonds issued by the Company that are convertible into shares;
- (6) Other circumstances necessary for the Company to maintain the value of the Company and the interests of its shareholders; and
- (7) Other circumstances under which the Company's shares may be acquired in accordance with laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed.

The Company must obtain the prior approval by the resolution adopted at the shareholders' meeting if it acquires its shares by reason of the circumstances specified in subparagraphs (1) and (2) of the preceding paragraph; and obtain the prior approval by the resolution adopted at the meetings of the board of directors where more than two-thirds of the directors attend if it acquires its shares by reason of the circumstances specified in subparagraphs (3), (5) and (6) of the preceding paragraph.

Shares acquired by the Company under subparagraph (1) thereof shall be canceled within 10 days from the date of acquisition; those acquired under subparagraphs (2) and (4) thereof shall be transferred or canceled within 6 months; and those acquired by the Company under subparagraphs (3), (5) and (6) thereof and held by the Company, shall not exceed 10% of the Company's total issued shares, and shall be transferred or canceled within three years.

Except for the above circumstances, the Company shall not engage in the trading of the Company's shares.

**Article 24** The Company may acquire shares of the Company through public centralized trading, or other methods recognized by laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed and the CSRC (if necessary). Shares acquired by the Company under subparagraphs (3), (5) and (6) of paragraph I of Article 23 of these Articles of Association shall be traded through public centralized trading.

After acquiring shares of the Company, the Company shall fulfill its obligations of information disclosure in accordance with laws, administrative regulations, rules, normative documents, the Hong Kong Listing Rules and other relevant provisions. If matters related to share repurchases are otherwise provided in the relevant regulatory rules of the places where the Company's shares are listed, such regulatory rules shall prevail.

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

**Article 25** Shares held by shareholders of the Company may be transferred to other shareholders or to persons other than shareholders. For the transfer of the Company's listed stocks, shareholders can publicly transfer their shares on the National Equities Exchange and Quotations. The transfer of the Company's H shares must be registered with the local stock registration agency in Hong Kong entrusted by the Company. All transfers of H shares shall be in a written transfer instrument in general or ordinary form or any other form approved by the board of directors (including the standard transfer form or transfer form specified by the Hong Kong Stock Exchange from time to time); and the transfer instrument may only be signed by hand or affixed under the common seal (if the transferor or transferee is a company). If the transferor or transferee is a recognized clearing house or its agent as defined in the relevant regulations in force from time to time under the laws of Hong Kong, the transfer instrument may be signed by hand or in printed form. All transfer instruments shall be kept at the legal address of the Company or such address as may be designated by the board of directors from time to time.

**Article 26** The Company does not accept its own shares as the subject of pledge.

**Article 27** The shares directly or indirectly held by the Company's controlling shareholders and de facto controllers prior to the listing may be released from transfer restriction in three batches, with the number of shares released from transfer restriction in each batch being one-third of the number of shares held prior to the listing. The dates for the release of shares from the transfer restriction shall be the date of listing, the expiration date of listing for one entire year and for two entire years, respectively. Shares issued prior to the Company's IPO of H shares shall not be transferred within one year from the date of listing of the Company's shares on the Main Board of Hong Kong Stock Exchange.

**Article 28** The Company's directors, supervisors and senior management officers shall report to the Company their holdings of shares of the Company and changes thereof. Shares of the Company held by these persons shall not be transferred within one year from the date of listing of the Company's shares on the Main Board of Hong Kong Stock Exchange, and the number of shares to be transferred annually during their tenures of office determined at the time of assumption of their positions shall not exceed 25% of the total number of shares of the Company held by them. Shares of the Company held by the aforesaid persons shall not be transferred within half a year after leaving office. If the shares are pledged within the period of transfer restriction prescribed by laws and administrative regulations, the pledgee shall not exercise the pledge right within the period of transfer restriction.

If the transfer restriction of H shares is otherwise provided in the relevant regulatory rules of the places where the Company's shares are listed, such regulatory rules shall prevail.

**Article 29** If directors, supervisors, senior management officers, and shareholders holding more than 5% of the Company's shares sell the Company's shares they hold within 6 months after purchasing the same or purchase them again within 6 months after selling the same, the earnings therefrom shall belong to the Company, and the board of directors of the Company shall recover such earning. However, exceptions are made where the securities company holds more than 5% of the shares due to the purchase and underwriting of untaken shares after offering, and other circumstances specified by the securities regulatory authorities of the State Council and the securities regulatory authorities of the place where the Company's shares are listed.

Shares or other securities of an equity nature held by directors, supervisors, senior management officers, or shareholders who are natural persons as referred to in the preceding paragraph shall include shares or other securities of an equity nature held by their spouses, parents, or children, as well as those held by them utilizing the accounts of others.

In the event that the board of directors of the Company fails to comply with the provisions of first paragraph thereof, the shareholders shall have the right to request the board of directors to do so within 30 days. If the board of directors of the Company fails to do so within the said period, the shareholders shall have the right to file a lawsuit with the people's court directly in their own name for the benefit of the Company.

If the board of directors of the Company fails to comply with the provisions of first paragraph thereof, the responsible directors shall be jointly and severally liable in accordance with the law.

## **Chapter IV Shareholders and Shareholders' Meeting**

### **Section 1 Shareholders**

**Article 30** China Securities Depository and Clearing Co., Ltd. is the registration and depository institution for the Company's domestic unlisted shares held by its shareholders. The register of shareholders recording shareholders of the Company's domestic unlisted shares and shares held by such shareholders shall be subject to the data recorded in the securities book-entry system of China Securities Depository and Clearing Co., Ltd. The Company's H shares are held in escrow by the entrusted custody company under Hong Kong Securities Clearing Company Limited, and can also be held by shareholders in their personal names.

Matters that shall be stated in the Company's share certificate shall include, in addition to those stipulated in the Company Law, matters required to be stated by the stock exchanges where the Company's shares are listed.

H shares issued by the Company that are listed overseas may be in the form of overseas depository receipts or other derivatives of share certificates in accordance with the laws and the practice of the securities registration and depository of the places where the Company's shares are listed.

**Article 31** The Company shall establish and maintain a register of shareholders. The register of shareholders shall be sufficient evidence to prove that a shareholder holds shares in the Company, unless there is evidence to the contrary. The shareholders of the Company shall have rights and obligations according to the class of shares held by them; shareholders holding shares of the same class shall have the same rights and obligations.

The Hong Kong branch register of shareholders must be open to inspection by the shareholders, but the Company may be permitted to suspend the registration of members on conditions equivalent to those set out below:

- (1) The Company may, after giving notice in accordance with subparagraph (2), close its register of members for a period or periods not exceeding in the aggregate 30 days in any one year;
- (2) A notice under subparagraph (1) shall be given, if it is given by the Company, in accordance with the listing rules applicable to the relevant stock market; or by advertisement in a newspaper circulating generally in Hong Kong; and if it is given by any other company, by advertisement in a newspaper circulating generally in Hong Kong;
- (3) In relation to any year, the period of 30 days referred to in subparagraph (1) may be extended by a resolution of the shareholders of the Company passed during that year; and
- (4) The period of 30 days referred to in subparagraph (1) may not be extended in any year by an additional period exceeding 30 days or by more than one additional period exceeding 30 days in the aggregate.

Any shareholder who is registered in or any person who requests to have his/her name entered in the register of shareholders, if whose share certificate is lost, may apply to the Company for replacement of the share certificate in respect of such shares. If a holder of the domestic unlisted shares of the Company loses his/her share certificate and applies for replacement, it shall be dealt with in accordance with the relevant requirements of the Company Law. If a holder of the H shares of the Company loses his/her share certificate and applies for replacement, it may be dealt with in accordance with laws, rules of the stock exchange or other relevant regulations of the place where the original register of holders of the H shares is maintained.

**Article 32** After the listing of the Company's shares and the IPO of H shares, the Company shall establish an investor relations management system, treat all investors on an equal basis in accordance with the principles of fairness, openness and impartiality, and disclose in a timely manner information on the Company's corporate culture, development strategies and business policies through announcements, the Company's website and other means in order to safeguard the legitimate rights and interests of all investors.

After the listing of the Company's shares and the IPO of H shares, the Company shall disclose all information that may have a greater impact on the transfer prices of the Company's shares and other securities to investors in a timely and fair manner through regular reports, interim reports and other means in accordance with the requirements of the CSRC, the National Equities Exchange and Quotations Co., Ltd. (hereinafter referred to as the "NEEQ"), the Stock Exchange and the securities regulatory authorities of the place where the Company's shares are listed, and ensure that the information disclosed is true, accurate and complete, and free of false entries, misleading statements or material omissions.

For other information which, in the opinion of the board of directors of the Company, may have a greater impact on the price of the Company's shares, the Company shall prepare interim reports and disclose them in a timely manner in accordance with the requirements of the relevant laws, administrative regulations, departmental rules and regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed.

**Article 33** When the Company convenes a shareholders' meeting, distributes dividends, engages in liquidation and engages in other acts that require confirmation of the identity of shareholders, the board of directors or the convenor of the shareholders' meeting shall determine the shareholding registration date, and shareholders registered after the close of the market on the shareholding registration date shall be the shareholders entitled to the relevant rights and interests.

**Article 34** Shareholders of the Company may enjoy the following rights:

- (1) The right to receive dividends and other distributions in proportion to the number of shares held;
- (2) The right to request, convene, chair, attend and vote in person or appoint a proxy to attend and vote on their behalf at the shareholders' meeting in accordance with the laws;

- (3) The right to supervise the Company's business operations, and to put forward proposals and raise enquiries;
- (4) The right to transfer, give as gifts or pledge the shares held in accordance with the laws, administrative regulations, the Hong Kong Listing Rules and other securities regulatory rules of the places where the Company's shares are listed as well as these Articles of Association;
- (5) The right to access and copy these Articles of Association, register of shareholders, meeting minutes of the shareholders' meeting, resolutions of meetings of the board of directors, resolutions of meetings of the board of supervisors, and financial and accounting reports;
- (6) In the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining assets of the Company in proportion to the number of shares held;
- (7) With respect to shareholders who voted against any resolution adopted at the shareholders' meeting on the merger or demerger of the Company, the right to demand the Company to acquire the shares held by them; and
- (8) Any other rights conferred by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed or these Articles of Association.

Shareholders who individually or collectively hold more than 3% of the Company's shares for more than 180 consecutive days may request to inspect the Company's accounting books and accounting certificates, and the shareholders requesting to inspect the Company's accounting books and accounting certificates shall submit a written request to the Company stating the purpose thereof. If the Company has reasonable grounds to believe that a shareholder's inspection of the accounting books and certificates is for an improper purpose that may harm the Company's lawful interests, the Company may refuse to provide such inspection and shall reply to the shareholder in writing within 15 days from the date of the shareholder's written request, stating the reasons therefor. If the Company refuses to provide access, the shareholder may file a lawsuit with the people's court.

Shareholders may appoint accounting firms, law firms and other intermediary organizations to inspect the materials provided for in the preceding paragraph. Shareholders and the accounting firms, law firms and other intermediary organizations commissioned by them to inspect or copy the relevant materials shall comply with the laws and administrative regulations on the protection of state secrets, commercial secrets, personal privacy and personal information, the Hong Kong Listing Rules, and other securities regulatory rules of the place where the Company's shares are listed.

Where shareholders request to inspect or copy relevant materials of wholly-owned subsidiaries of the Company, the provisions of the preceding two paragraphs shall apply.

The Company shall not deprive or restrict shareholders of their statutory rights.



**Article 35** A shareholder who requests to inspect the relevant information referred to in the preceding Article or requests for information shall provide the Company with written documents proving the type and number of the Company's shares held by the shareholder, and the Company shall provide such documents to the shareholder upon verification of the identity of the shareholder.

**Article 36** In the event that a resolution of a shareholder' meeting or board of directors' meeting of the Company violates laws or administrative regulations, the shareholders shall have the right to request the people's court to recognize the resolution as invalid.

If the procedures for convening a shareholders' meeting or a board of directors' meeting or the manner of voting thereat contravene any law or administrative regulation or these Articles of Association, or if the contents of a resolution contravene these Articles of Association, the shareholders shall have the right to request the people's court to revoke the resolution within 60 days from the date when the resolution was made, unless there are only minor defects in the procedures for convening a shareholders' meeting or a board of directors' meeting or in the manner of voting, which do not have a material impact on the resolution. Shareholders who have not been notified to participate in the shareholders' meeting may, within 60 days from the date when they knew or should have known that the resolution of the shareholders' meeting had been made, request the people's court to revoke the resolution; and the right of revocation shall be extinguished if the right of revocation is not exercised within one year from the date when the resolution was made.

**Article 37** In the event that a director or senior management officers, in the performance of his duties, violates any law or administrative regulation or these Articles of Association and causes damage to the Company, any shareholder who individually or collectively holds more than 1% of the shares of the Company for more than 180 consecutive days shall have the right to request the board of supervisors in writing to file a lawsuit with the people's court; and in the event that the board of supervisors, in the performance of its duties, violates any law or administrative regulation or these Articles of Association and causes damage to the Company, the foregoing shareholder may request the board of directors in writing to file a lawsuit with the people's court.

If the board of supervisors or the board of directors refuses to file a lawsuit upon receipt of a written request from a shareholder as provided for in the preceding paragraph, or fails to file a lawsuit within 30 days from the date of receipt of the request, or if the situation is so urgent that the interests of the Company will be irreparably damaged if the Company fails to file a lawsuit, the shareholders as provided for in the preceding paragraph shall have the right to file a lawsuit with the people's court in their own names and in the interest of the Company directly.

If another person infringes upon the lawful rights and interests of the Company and causes damage to the Company, the shareholders provided for in the first paragraph thereof may file a lawsuit with the people's court in accordance with the provisions of the preceding two paragraphs.

If directors, supervisors or senior management officers of a wholly-owned subsidiary of the Company are in any of the situations provided for in the preceding Article, or if any other person infringes upon the lawful rights and interests of a wholly-owned subsidiary of the Company and causes losses, shareholders of the Company who individually or collectively hold more than 1% of the Company's shares 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 file a lawsuit with the people's courts, or file a lawsuit with the people's courts in their own names directly.

If a director or senior management officers violates any law, administrative regulation or these Articles of Association to the detriment of the shareholders' interests, the shareholders may file a lawsuit with the people's court.

**Article 38** If a director or senior management officers, in the performance of his duties, causes damage to another person, the Company shall be liable for compensation; if the director or senior management officers is intentional or grossly negligent, he/she shall also be liable for compensation.

If a controlling shareholder or a de facto controller of the Company instructs a director or senior management officers to engage in an act that is detrimental to the interests of the Company or the shareholders, he or she shall be jointly and severally liable with the director or senior management officers.

**Article 39** Shareholders of the Company shall assume the following obligations:

- (1) To abide by laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed and these Articles of Association;
- (2) To pay subscription money according to the number of shares subscribed and the method of subscription;
- (3) Not to withdraw their shares except as otherwise provided by laws, regulations, the Hong Kong Listing Rules and other securities regulatory rules of the places where the Company's shares are listed;
- (4) Not to abuse their shareholder rights to jeopardize the interests of the Company or other shareholders; and not to abuse the independent status of the Company as a legal entity and the limited liabilities of shareholders to jeopardize the interests of the Company's creditors; and
- (5) Any other obligations imposed by laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed or these Articles of Association.



Shareholders of the Company who abuse their shareholder rights to cause losses to the Company or other shareholders shall be liable for compensation in accordance with the laws. Shareholders of the Company who abuse the independent status of the Company as a legal entity and the limited liabilities of shareholders to evade debts and seriously jeopardize the interests of the Company's creditors shall be jointly and severally liable for the debts of the Company.

**Article 40** Shareholders or de facto controllers holding or actually controlling more than 5% of the shares through accepting entrustment or trust, etc. shall promptly inform the Company of the entrustment and cooperate with the Company in fulfilling the information disclosure obligations. If a shareholder holding more than 5% of the voting shares of the Company pledges the shares held by him, he shall make a written report to the Company from the date of occurrence of such fact.

**Article 41** The Company's controlling shareholders and de facto controllers shall not use their related (connected) relationship to jeopardize the interests of the Company. Those who violate the regulations and cause losses to the Company shall be liable for compensation.

The Company's controlling shareholders and de facto controllers shall bear fiduciary duties for the Company and shareholders of the Company. The Company's controlling shareholders and de facto controllers shall not use any means to jeopardize the legitimate rights and interests of the Company and other shareholders; controlling shareholders and de facto controllers shall be liable for compensation for any losses caused to the Company and other shareholders as a result of any violation of the relevant laws and regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed as well as these Articles of Association.

**Article 42** The Company shall actively take measures to prevent shareholders and their related (connected) parties from appropriating or transferring the Company's funds, assets and other resources.

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

**Article 43** The shareholders' meeting is the power of authority of the Company, comprising all shareholders, and shall exercise the following functions and powers in accordance with the laws:

- (1) To elect and replace directors and supervisors and to determine matters relating to the remuneration of the directors and supervisors;
- (2) To consider and approve the reports of the board of directors;
- (3) To consider and approve the reports of the board of supervisors;
- (4) To consider and approve the Company's profit distribution plan and plan for recovery of losses;
- (5) To make resolutions on the increase or reduction of the Company's registered capital;

- (6) To make resolutions on the issue of corporate bonds;
- (7) To make resolutions on the merger, demerger, dissolution, liquidation or change of corporate form of the Company;
- (8) To amend these Articles of Association;
- (9) To decide the appointment and dismissal of the accounting firms;
- (10) To consider and approve financial assistance matters as stipulated in Article 44;
- (11) To consider and approve guarantee matters as stipulated in Article 45;
- (12) To consider and approve major transaction matters as stipulated in Article 46;
- (13) To consider and approve the share incentive plan;
- (14) To consider and approve matters related to the change of use of proceeds;
- (15) To consider and approve related (connected) transaction matters that exceed the resolution authority of the Company's board of directors; and
- (16) To consider and approve other matters which are required to be determined at the shareholders' meeting as required by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed or these Articles of Association.

The shareholders' meeting may authorize the board of directors to make resolutions on issuing corporate bonds. In addition to the aforementioned matters, the powers of the shareholders' meeting may not be exercised by the board of directors or by other institutions and individuals on its behalf by way of authorization.

Transactions in which the Company unilaterally obtains benefits, including receipt of cash assets as gifts, debt relief, guarantees and subsidies, may be exempted from the shareholders' meeting agenda as stipulated in item 12 under the first paragraph in this Article. Transactions between the Company and its controlled subsidiaries under the scope of its consolidated statements or among the above controlled subsidiaries are exempted from the shareholders' meeting agenda as set in item 12 under the first paragraph in this Article, unless otherwise stipulated or damaging the legitimate interests of shareholders.

**Article 44** If the Company's provision of financial assistance to external parties falls under any of the following circumstances, it must be reviewed and approved in the shareholders' meeting:

- (1) The asset-liability ratio of the investee for the latest period exceeds 70%;
- (2) The amount of lump sum financial assistance or the cumulative amount of financial assistance provided within twelve consecutive months exceeds 10% of the Company's latest audited net assets; or

- (3) Any other situations stipulated by the CSRC, the NEEQ, the Hong Kong Listing Rules and other securities regulatory rules in the place where the Company's shares are listed or the Articles of Association.

The Company shall not provide any funds or other financial assistance to related (connected) parties such as by its directors, supervisors, senior management officers, controlling shareholders, actual controllers or the enterprises that they control.

If the external financial assistance is not recovered when overdue, the Company shall not continue to provide any existing or additional financial assistance to the same party.

**Article 45** The following external guarantees by the Company must be reviewed and approved in the shareholders' meeting:

- (1) Single guarantee with an amount exceeding 10% of the Company's latest audited net assets;
- (2) Guarantee provided in addition to the external guarantee of the Company and its controlled subsidiaries with a total amount exceeding 50% of the Company's latest audited net assets;
- (3) Guarantees provided for investees whose asset-liability ratio is over 70%;
- (4) Guarantee with an amount exceeding 30% of the Company's latest audited total assets based on the principle of the accrued guarantee amount for twelve consecutive months; or
- (5) Any other guarantees stipulated by the CSRC, the NEEQ, the Hong Kong Listing Rules and other securities regulatory rules in the place where the Company's shares are listed or the Articles of Association.

If the Company provides guarantees for its wholly-owned subsidiaries, or provides guarantees for its controlled subsidiaries when other shareholders of such controlled subsidiaries provide guarantees in the same proportion of their interests without prejudice to the interests of the Company, it may be exempted from the applicable requirements from items 1 to 3 of paragraph 1 under this Article.

If the Company provides guarantees to related (connected) parties, it should be conducted with reasonable business logic and proposed to the shareholders' meeting for review after being reviewed and approved by the board of directors.

If the Company provides guarantees for shareholders, actual controllers and their related (connected) parties, it shall be proposed to the shareholders' meeting for review. If the Company provides guarantees for the controlling shareholder, actual controllers and their related (connected) parties, such controlling shareholder, actual controllers and their related (connected) parties shall provide counter-guarantees.

**Article 46** If a transaction (other than the provision of guarantees) of the Company belongs to one of the following, it shall be proposed to the shareholders' meeting for review:

- (1) A transaction with its total assets (if there exist both the book value and the appraised value, whichever is higher) or transaction amount accounting for more than 50% of the Company's audited total assets for the most recent accounting year;
- (2) A transaction with its net assets or transaction amount accounting for more than 50% of the absolute value of the Company's audited net assets for the most recent accounting year and exceeding RMB15 million; or
- (3) Review of the purchase and sale of major assets by the Company within one year with an amount exceeding 30% of the Company's latest audited total assets.

**Article 47** The following related (connected) transactions of the Company must be reviewed and approved in the shareholders' meeting:

- (1) Transactions with related (connected) parties with its transaction amount (excluding the provision of guarantees) accounting for more than 5% of the Company's latest audited total assets and exceeding RMB30 million; or
- (2) Transactions accounting for more than 30% of the Company's latest audited total assets.

For ordinary related (connected) transactions with related (connected) parties every year, the Company can make a reasonable estimate of the total amount of related (connected) transactions that will occur during the year before disclosing the annual report for the previous year, and propose the estimated amount to the board of directors or the shareholders' meeting for review; and if the actual amount exceeds the estimated amount, the Company shall proceed with corresponding procedures on matters in relation to the excess amount.

The Company shall propose the following transactions to the board of directors or shareholders' meeting for review and approval based on the principle of accrual for twelve consecutive months:

- (1) Transactions with the same related (connected) parties; or
- (2) Transactions with a target of conducting transaction with different related (connected) parties.

The same related (connected) parties mentioned above include legal persons or other organizations that are controlled by the same actual controller as related (connected) parties or that are under an equity control relationship or that have the same natural persons as their directors or senior management officers. Those who have fulfilled relevant obligations in accordance with the provisions of this article will no longer be included in the scope of accrual.

When the Company conducts the following related (connected) transactions with related (connected) parties, it may be exempted from the review as the related (connected) transactions:

- (1) Subscription by one party in cash of publicly issued stocks, corporate bonds, convertible corporate bonds or other securities of the other party;
- (2) Underwriting by one party as a member of the underwriting syndicate of publicly issued stocks, corporate bonds, convertible corporate bonds or other securities of the other party;
- (3) Collection by one party of dividends, bonuses or remuneration in accordance with the resolution of the shareholders' meeting of the other party;
- (4) Participation of one party in the public tender or auction of the other party, except where it is difficult to reach a fair value through such tender or auction;
- (5) Transactions in which the Company obtains unilateral benefits, including receipt of cash assets as gifts, debt relief, guarantees and subsidies;
- (6) Pricing of related party (connected) transactions which is nationally stipulated;
- (7) Provision of funds by related (connected) parties to the Company with the interest rate not higher than the benchmark loan interest rate for the same period stipulated by the PBOC and with no corresponding guarantee by the Company for this financial assistance;
- (8) Provision of products and services by the Company to its directors, supervisors and senior management officers on the same transaction conditions as non-related (connected) parties; or
- (9) Any other transactions recognised by the CSRC, the NEEQ, securities regulatory authorities where the Company's shares are listed and the Hong Kong Stock Exchange.

**Article 48** A shareholders' meeting shall either be an annual general meeting or an extraordinary general meeting. Annual shareholders' meetings shall be held once every year and within 6 months from the close of the preceding accounting year.

The Company shall convene an extraordinary general meeting within two months from the occurrence of any of the following circumstances:

- (1) When the number of directors is less than the number stipulated in Company Law or two-thirds of the number specified in the Articles of Association;
- (2) When the unrecovered losses of the Company amount to one-third of the total amount of its share capital;

- (3) When any shareholder individually or jointly holding 10% or more of the Company's shares requests in writing for the convening of an extraordinary general meeting;
- (4) When it is deemed necessary by the board of directors;
- (5) When it is proposed to be convened by the board of supervisors;
- (6) When the number of independent directors (with the same meaning as "independent non-executive directors", the same as below) is less than the quorum; or
- (7) Any other circumstances stipulated in the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed or the Articles of Association.

The number of shares held as mentioned in subparagraph (3) above shall be subject to the number of shares held on the date when the shareholder submits a written request.

**Article 49** The Company shall convene a shareholders' meeting at the Company's domicile or at a place designated by the convener of the shareholders' meeting.

The shareholders' meeting will be held in the form of an on-site meeting in a location set for it. The time and location of the on-site meeting should be chosen for easy participation of shareholders. The Company shall ensure the legitimacy and effectiveness of shareholders' meeting and the convenience for shareholders to participate in the meeting. Reasonable discussion time for each proposal should be allowed in the shareholders' meeting. The Company will also provide other channels such as online or electronic communication for easy participation of shareholders in the shareholders' meeting in accordance with the securities regulatory rules of the place where the Company's shares are listed. Shareholders who participate in the shareholders' meeting through the above methods are deemed to be present in the meeting.

**Article 50** In convening an extraordinary shareholders' meeting, the Company may employ a lawyer to provide legal opinions on the following issues:

- (1) Whether the convening of the meeting and its procedures comply with laws, administrative regulations and the Articles of Association;
- (2) Whether the qualifications of the attendees and the convener are lawful and valid;
- (3) Whether the voting procedures and results of the meeting are lawful and valid; and
- (4) Legal opinions on other relevant issues at the request of the Company.

### **Section 3 Convocation of Shareholders' Meeting**

**Article 51** A majority of independent directors have the right to propose to the board of directors to convene an extraordinary general meeting. In response to a proposal from independent directors that request to convene an extraordinary general meeting, the board of directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, give written feedback on whether it agrees or disagrees with the convening of the extraordinary general meeting within 10 days upon receipt of the proposal.

If the board of directors agrees to convene an extraordinary general meeting, the board of directors will issue a notice of convening the shareholders' meeting within 5 days after the board of directors' resolution is made; and if the board of directors disagrees to convene an extraordinary general meeting, it will state the reasons and make an announcement.

**Article 52** The board of supervisors has the right to propose to the board of directors to convene an extraordinary general meeting and shall submit such proposal to the board of directors in writing. The board of directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, give written feedback on whether it agrees or disagrees with the convening of the extraordinary general meeting within 10 days upon receipt of the proposal.

If the board of directors agrees to convene an extraordinary general meeting, the board of directors will issue a notice of convening the shareholders' meeting within 5 days after the board of directors' resolution is made, and any changes to the original proposal contained in the notice shall be approved by the board of supervisors.

If the board of directors disagrees to convene an extraordinary general meeting or fails to provide feedback within 10 days upon receipt of the proposal, it shall be deemed that the board of directors is unable to perform or fails to perform its duty to convene the shareholders' meeting, and the board of supervisors shall convene and preside over the extraordinary general meeting of its own accord.

**Article 53** Shareholders individually or jointly holding 10% or more of the Company's shares have the right to request the board of directors to convene an extraordinary general meeting, and shall submit such request to the board of directors in writing. The board of directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, give written feedback on whether it agrees or disagrees with the convening of the extraordinary general meeting within 10 days upon receipt of the request.

If the board of directors agrees to convene an extraordinary general meeting, the board of directors will issue a notice of convening the shareholders' meeting within five days after the board of directors' resolution is made, and any changes to the original request contained in the notice shall be approved by the shareholders concerned.

If the board of directors disagrees to convene an extraordinary general meeting or fails to provide feedback within 10 days upon receipt of the request, shareholders individually or jointly holding 10% or more of the Company's shares shall have the right to propose to the board of supervisors to convene an extraordinary general meeting and shall submit such request to the board of supervisors in writing.



If the board of supervisors agrees to convene an extraordinary general meeting, the board of supervisors will issue a notice of convening the shareholders' meeting within five days upon receipt of the request, and any changes to the original request contained in the notice shall be approved by the shareholders concerned.

If the board of supervisors fails to issue the notice of convening the extraordinary general meeting within the prescribed period, it shall be deemed that the board of supervisors does not convene and preside over the shareholders' meeting, in which case shareholders individually or jointly holding 10% or more of the Company's shares for more than 90 consecutive days can convene and preside over the shareholders' meeting of its own accord. Prior to the announcement of the resolution adopted at the shareholders' meeting, shareholders convening the shareholders' meeting shall jointly hold 10% or more of the Company's shares.

When shareholders individually or jointly holding 10% or more of the Company's shares request to convene an extraordinary general meeting, the board of directors and the board of supervisors shall make a decision on whether to convene the extraordinary general meeting and reply to the shareholders in writing within 10 days upon receipt of the request.

**Article 54** If the board of supervisors or the shareholders decide to convene the shareholders' meeting of their own accord, they shall notify the board of directors in writing.

If the shareholders decide to convene the shareholders' meeting of their own accord, the shareholders convening the meeting shall jointly hold 10% or more of the Company's shares prior to the announcement of the resolution adopted at the shareholders' meeting.

**Article 55** The board of directors and the secretary to the board of directors shall cooperate and fulfill their information disclosure obligations in a timely manner for a shareholders' meeting convened by the board of supervisors or shareholders of its own accord. The board of directors shall provide a register of shareholders of the Company as of the record date.

**Article 56** All necessary expenses incurred for the shareholders' meeting convened by the board of supervisors or shareholders of their own accord in accordance with the law shall be borne by the Company.

#### **Section 4 Proposals and Notices of the Shareholders' Meeting**

**Article 57** Content in proposals shall fall within the scope of functions and powers of the shareholders' meeting with clear topics and specific resolutions and shall be in compliance with the relevant provisions of laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

**Article 58** When the Company convenes a shareholders' meeting, the board of directors, the board of supervisors and shareholders individually or jointly holding 1% or more of the Company's shares are entitled to submit proposals to the Company.



Shareholders individually or jointly holding 1% or more of the Company's shares may make a provisional proposal and submit it in writing to the convener 10 days prior to the convening of the shareholders' meeting. The convener of the shareholders' meeting shall issue a supplemental notice of shareholders' meeting within two days upon receipt of such proposal, setting out the content of the provisional proposal and submitting such provisional proposal to the shareholders' meeting for consideration; provided, however, that the provisional proposal shall be in compliance with the provisions of the laws, administrative regulations or the Articles of Association or shall fall within the scope of functions and powers of the shareholders' meeting.

Except as provided in the preceding paragraph, the convener shall not modify or add new proposals after issuing the notice of shareholders' meeting. No vote or resolutions shall be cast or passed in the shareholders' meeting on proposals that are not listed in the notice of shareholders' meeting or that do not comply with laws, regulations and the Articles of Association.

In the notices of shareholders' meetings and their supplementary notices, the specific content of the proposal as well as all the information or explanations needed to enable shareholders to make reasonable judgments on the matters to be discussed should be adequately and completely disclosed.

**Article 59** The convener shall notify all the shareholders 21 days prior to the convening of an annual general meeting and 15 days prior to the convening of an extraordinary general meeting.

When calculating the aforementioned notice period, the Company excludes the date on which the meeting is held. With the consent of more than two-thirds of the voting rights represented by the shareholders (including their proxies) present at the meeting, the period of advance notice which shall be set out in the meeting minutes may be waived and the resolution adopted at such shareholders' meeting shall be lawful and valid.

**Article 60** The notice of shareholders' meeting shall include the following:

- (1) Time, location and duration of the meeting;
- (2) Matters and proposals submitted to the meeting for consideration;
- (3) Explanation in obvious words: All the shareholders have the right to attend the shareholders' meeting and may appoint a proxy who does not have to be a shareholder of the Company in writing to attend the meeting and to participate in voting;
- (4) Record date of shareholders who have the right to attend the shareholders' meeting in the register of shareholders;
- (5) Name and telephone number of the standing contact person for conference affairs;
- (6) Voting time and procedures (if any) for online or other channels; and

- (7) Any other content stipulated in laws, regulations, normative legal documents, the Hong Kong Listing Rules and other securities regulatory rules in the place where the Company's shares are listed.

The interval between the record date in item 4 above and the meeting date shall be no more than 7 trading days and shall be later than the disclosure time of the announcement. Once the equity is confirmed on the record date, it shall not be changed.

**Article 61** If it is intended to discuss the election of directors and supervisors on the shareholders' meeting, biographic details of the director and supervisor candidates, including at least the following, will be sufficiently disclosed in the shareholders' meeting notice:

- (1) Educational background, working experience, part-time job and other personal information;
- (2) Whether there is a related (connected) relationship with the Company or the Company's controlling shareholder and actual controller;
- (3) Disclosure of their number of shares in the Company;
- (4) Whether any of the circumstances stipulated under Article 178 of the Company Law exists;
- (5) Whether they have received punishment from the CSRC or other relevant departments or have been put under correction by any stock exchange; and
- (6) Any other content stipulated in laws, regulations, normative legal documents, the Hong Kong Listing Rules and other securities regulatory rules in the place where the Company's shares are listed.

Except adopting the accumulative voting system to elect directors and supervisors, each of the director and supervisor candidates shall be proposed separately.

**Article 62** After giving the notice of convening the shareholders' meeting, without justifiable reasons, such shareholders' meeting shall not be adjourned or canceled and the proposals specified in such notice shall not be canceled. If the shareholders' meeting is necessary to be adjourned or canceled, the Company shall announce at least 2 trading days prior to the originally scheduled date of the shareholders' meeting with detailed reasons stated.

## **Section 5 Convening of the Shareholders' Meeting**

**Article 63** The board of directors and other conveners of the Company shall take the necessary measures to ensure the normal order of the shareholders' meeting will be taken to stop interference with the shareholders' meeting, provocations and detriment to the legitimate rights and interests of shareholders.

**Article 64** The shareholders' meeting will be held in the form of an on-site meeting in a location set for it. All shareholders registered on the record date or their proxies are entitled to present at the shareholders' meeting, and exercise their voting rights in accordance with relevant laws and regulations, the Hong Kong Listing Rules and other securities regulatory rules of the places where the Company's shares are listed and the Articles of Association.

Shares held by the Company that carry no voting rights shall not be counted toward the total number of shares with voting rights held by shareholders attending the shareholders' meeting.

Subsidiaries under the control of the Company are not allowed to acquire shares of the Company. If such shares are held for special reasons, the situation shall be eliminated in accordance with the laws within one year. Before the above situation is eliminated, the relevant subsidiaries shall not exercise the voting rights corresponding to the shares held, which shall not be counted towards the total number of shares with voting rights of the shareholders present in the meeting.

A shareholder may attend the shareholders' meeting in person or appoint a proxy who needs not be a shareholder of the Company to attend and vote on his/her behalf. Where a shareholder is a recognized clearing house (or its proxies) as defined in the relevant regulations enacted in Hong Kong from time to time, it may authorize its corporate representative or one or more persons as it deems fit to act as its proxy(ies) at any shareholders' meeting. If a shareholder authorizes a proxy to attend the shareholders' meeting, he/she shall specify the authorized matters, authority and period for such proxy.

**Article 65** Individual shareholders attending the meeting in person shall present their own identity cards or other valid documents or certificates that can indicate their identity; and proxies attending the meeting under shareholders' authorization shall present their own valid identity certificates and the shareholders' power of attorney.

Where a shareholder is a legal person or other institution, its legal representative/managing partner or a proxy authorized by the legal representative/managing partner shall be entitled to attend the shareholders' meeting. The legal representative/managing partner attending the meeting shall present his/her own identity card and valid proof that can indicate his/her qualification as the legal representative/managing partner. If a proxy is authorized to attend the meeting, the authorized matters, authority and period for such proxy shall be specified and the proxy shall present his/her own identity card and the written power of attorney issued by the legal representative/managing partner of the shareholder as a legal person or other institution in accordance with the laws and exercise the voting right within the scope of authorization.

Where such shareholder is a recognized clearing house (or its proxy) as defined in the relevant regulations enacted in Hong Kong from time to time, it may authorize one or more persons as it deems fit to act as its representative(s) at any shareholders' meeting, provided that, if more than one person is so authorized, the power of attorney shall specify the number and class of shares in respect to which the person is so authorized and shall be signed by the authorizing person of the recognized clearing house. The person so authorized may attend the meeting (unnecessary to present share certificates, with notarized authorization and/or further evidence to confirm formal authorization) and exercise the rights (including the right to speak and vote) on behalf of the recognized clearing house (or its proxies) as if such person were an individual shareholder of the Company.

**Article 66** The power of attorney issued by the shareholder for someone to attend the shareholders' meeting shall include the following:

- (1) Name of the proxy;
- (2) Whether voting rights are granted to the proxy;
- (3) Instructions on voting for, against, or abstaining on each item on the agenda of the shareholders' meeting;
- (4) Date of issuance and expiration date of the power of attorney;
- (5) Signature (or stamp) of the principal. If the principal is a corporate shareholder or institutional shareholder, seal of the corporate shareholder or institutional shareholder shall be affixed; and
- (6) Any other content stipulated by laws, regulations, normative legal documents, the Hong Kong Listing Rules and other securities regulatory rules of the places where the Company's shares are listed.

The instrument appointing a voting proxy shall be placed at the domicile of the Company or at such other places as specified in the notice of convening the meeting 24 hours prior to convening of the meeting at which the proxy is authorized to vote or 24 hours prior to the designated time of voting. Where the instrument is signed by another person authorized by the principal, the authorization letter or other documents authorizing the signatory shall be notarized. The notarized authorized letter or other authorized documents shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or at such other places as specified in the notice of convening the meeting.

Where the principal is a legal person, its legal representative or the person authorized by resolution of its board of directors or other decision-making body shall be entitled to attend the shareholders' meetings of the Company as the representative of such legal person.

**Article 67** The power of attorney shall indicate whether the shareholder's proxy can vote of his or her own accord if the shareholder does not provide any specific instructions.

**Article 68** If the power of attorney authorizing voting rights is authorized by the principal to be signed by others, the power of attorney signed under the authorization or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents and the voting proxy form shall be kept at the Company's domicile or at other places as may be specified in the notice of convening the meeting. If the principal is a legal person, its legal representative or a person authorized by resolution of the board of directors or other decision-making body shall attend the Company's shareholders' meeting as a representative.

**Article 69** The Company is responsible for preparing a meeting register of attendees. The meeting register shall state the names of the participants (or the participating entities), their identity numbers, residential addresses, the number of shares held or represented with voting rights, the names of the principals (or the authorizing entities) and other matters.

**Article 70** The convener and the lawyer appointed by the Company will jointly verify the legality of shareholder qualifications based on the shareholder register provided by the securities registration and clearing institution, and will register the names of shareholders and the number of shares with voting rights on their hands. Registration for the meeting shall be terminated before the chairman of the meeting announces the number of shareholders and proxies present at the meeting and the total number of shares with voting rights on their hands.

**Article 71** When the shareholders' meeting is convened, all the directors, supervisors and the secretary to the board of directors of the Company shall attend the meeting, and the general manager and other senior management officers shall attend the meeting as non-voting participants.

**Article 72** A shareholders' meeting shall be presided by the chairman of the board of directors. If the chairman of the board of directors is unable or fails to perform his/her duties, a director jointly elected by a majority of the directors shall preside over the meeting.

A shareholders' meeting convened by the board of supervisors of its own accord shall be presided over by the chairman of the board of supervisors. If the chairman of the board of supervisors is unable or fails to perform his/her duties, a supervisor jointly elected by a majority of the supervisors shall preside over the meeting.

The shareholders' meeting convened by shareholders of their own accord shall be presided over by a representative elected by the convener.

When a shareholders' meeting is convened and the chairman violates the rules of procedure in a way that makes it impossible for the shareholders' meeting to continue, a person may be elected at the shareholders' meeting to act as the chairman so as to carry on with the meeting, subject to the approval of a majority of the attending shareholders holding voting rights.

**Article 73** The Company shall formulate rules of procedure for the shareholders' meeting, specifying in detail the convening and voting procedures thereof, including notification, registration, review of proposals, voting, counting of votes, announcement of voting results, formation of meeting resolutions, meeting minutes and their signatures as well as the authorization principles for the board of directors at the shareholders' meeting. Function and power of the shareholders' meeting shall be exercised under the scope stipulated in the Company Law and the Articles of Association, with clear and specific authorization details. The statutory function and power of shareholders' meeting shall not be delegated to the board of directors. The rules of procedure of the shareholders' meeting, which shall be attached to the Articles of Association, shall be drawn up by the board of directors and approved in the shareholders' meeting.

**Article 74** At the annual general meeting, the board of directors and the board of supervisors shall report in the shareholders' meeting their work over the past year. Independent directors should submit an annual work report that complies with relevant laws and regulations in the Company's annual shareholders' meeting, explaining their performance of duties.

**Article 75** Directors, supervisors and senior management officers shall provide explanations and illustrations to shareholders' inquiries and suggestions at shareholders' meetings.

**Article 76** The chairman of the meeting shall, before voting, announce the number of shareholders and proxies attending the on-site meeting and the total number of shares with voting rights which are subject to the meeting register.

**Article 77** The shareholders' meeting have meeting minutes, which shall be taken by the secretary to the board of directors, and include the following:

- (1) Time, location, agenda and name of the convener of the meeting;
- (2) The names of the meeting chairman and the directors, supervisors, the general manager and other senior management officers appearing in or attending the meeting as non-voting participants;
- (3) Number of shareholders and proxies attending the meeting, the total number of shares with voting rights held by such shareholders and the proportion over total shares of the Company;
- (4) Consideration and approval process, key points of discussion, and voting results for each proposal;
- (5) Shareholders' inquiries or suggestions and corresponding responses or explanations;
- (6) Names of lawyers and tellers and scrutineers; and
- (7) Any other content that shall be recorded in the meeting minutes in accordance with the Articles of Association and laws, regulations, normative legal documents, the Hong Kong Listing Rules and other securities regulatory rules of the places where the Company's shares are listed.

**Article 78** The directors, secretary to the board of directors, convener or its representative and meeting chairman who attended the meeting shall sign the meeting minutes and ensure that the content in the meeting minutes is true, accurate and complete. The minutes of the meeting shall be kept together with the guest book for shareholders present in the meeting, the power of attorney for proxy and the valid information on voting online and via other channels, for a record period of no less than 10 years.

**Article 79** The convener shall ensure the continuity of shareholders' meeting until the final resolution is reached. If the shareholders' meeting is suspended or unable to reach any resolutions due to force majeure or other special reasons, necessary measures should be taken to resume the shareholders' meeting as soon as possible or to directly terminate the shareholders' meeting with a timely announcement.

**Article 80** If an annual shareholders' meeting is held and online voting is allowed, a lawyer shall be appointed to issue legal opinion on the convening and the procedures of the shareholders' meeting, the qualifications of the attendees and the convener, the voting procedures and results as well as other matters related to the meeting.

## **Section 6 Voting and Resolutions of Shareholders' Meetings**

**Article 81** Resolutions of shareholders' meeting are classified as ordinary resolutions and special resolutions.

Ordinary resolutions of the shareholders' meeting shall be passed by a majority of the voting rights represented by the shareholders (including proxies) present at the meeting.

Special resolutions of the shareholders' meeting shall be passed by more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting.

**Article 82** The following matters shall be resolved by way of ordinary resolutions at a shareholders' meeting:

- (1) Work reports of the board of directors and the board of supervisors;
- (2) Plans for profit distribution and recovery of losses drafted by the board of directors;
- (3) Appointment or removal of members of the board of directors and the board of supervisors and their remuneration and method of payment thereof;
- (4) The Company's annual report; and



- (5) Any other matters other than those required by the laws, administrative regulations, the Hong Kong Listing Rules and other securities regulatory rules of the places where the Company's shares are listed or the Articles of Association to be approved by special resolution.

**Article 83** The following matters shall be resolved by way of special resolutions at a shareholders' meeting:

- (1) Increase or reduction of the registered capital of the Company;
- (2) Demerger, merger, dissolution and liquidation of the Company or change of corporate form of the Company;
- (3) Amendment to the Articles of Association;
- (4) Purchase or disposal of material assets or provision of guarantee by the Company within a year of a value exceeding 30% of the Company's latest audited total assets;
- (5) Share incentive plans; and
- (6) Any other matters prescribed by the laws, administrative regulations, the Hong Kong Listing Rules and other securities regulatory rules of the places where the Company's shares are listed or the Articles of Association and those matters approved by ordinary resolution at a shareholders' meeting as having a material impact on the Company and therefore required to be approved by a special resolution.

**Article 84** Shareholders (including proxies) shall exercise their voting rights in accordance with the number of shares with voting rights represented by them, and each share entitles the shareholder to one voting right. On a poll taken at a meeting, a shareholder (including proxies) entitled to two or more votes need not cast all his/her votes in the same way.

Shares held by the Company that carry no voting rights shall not be counted toward the total number of shares with voting rights held by shareholders attending the shareholders' meeting.

When major matters affecting the interests of small and medium-sized investors are considered in the shareholders' meeting, the votes of small and medium-sized investors shall be counted separately. The results of the separated voting results should be disclosed to the public in a timely manner.



The board of directors, independent directors, shareholders holding more than 1% of the voting shares or investor protection institutions established in accordance with laws, administrative regulations or the requirements of the securities regulatory authorities of the place where the Company's shares are listed may serve as collectors, who may, on their own or by entrusting a securities company or securities service provider, publicly request the Company's shareholders to appoint them as their proxies to attend the shareholders' meeting and to exercise their rights of shareholders such as proposal rights and voting rights on their behalf. When soliciting shareholders' voting rights, information such as specific voting intentions must be fully disclosed to the persons whose rights are solicited. It is prohibited to collect shareholders' voting rights with consideration or indirect benefits. Except for statutory conditions, the Company may not impose restrictions on minimum shareholding ratio during the solicitation of voting rights. If the public solicitation of shareholders' rights violates laws, administrative regulations or relevant requirements of the securities regulatory authorities under the State Council, causing losses to the Company or its shareholders, the collector shall be liable for the compensation in accordance with the laws.

**Article 85** Shareholders who have related (connected) relationship with matters proposed to be considered at the shareholders' meeting shall abstain from voting, and shares with voting rights they hold shall not be counted toward the total number of shares with voting rights held by shareholders attending the shareholders' meeting; and the announcement of resolutions of the shareholders' meeting shall fully disclose the voting situation unless otherwise provided by laws, regulations, departmental rules, Business Rules, the Hong Kong Listing Rules and other securities regulating rules of the place where the Company's shares are listed, and all the shareholders are related (connected) parties.

The abstention and voting procedures for related (connected) shareholders are as follows:

- (1) Related (connected) shareholders or other shareholders apply for abstention;
- (2) A resolution, which decides whether the shareholders are related (connected) shareholders and whether the shareholders shall abstain from voting, is passed by a majority of the voting directors of the board of directors;
- (3) Related (connected) shareholders shall not participate in the consideration of related (connected) transaction matters, and shall not be present for the consideration; and
- (4) When related (connected) transaction matters are voted at the shareholders' meeting, non-related (connected) shareholders attending the shareholders' meeting shall vote according to the relevant provisions of the Articles of Association after deducting the number of shares with voting rights represented by related (connected) shareholders.

**Article 86** The Company shall provide convenience for shareholders to participate in the shareholders' meeting through various methods and channels on the premise of ensuring that the shareholders' meeting is lawful and effective.

**Article 87** Unless the Company is in crisis or other special circumstances, it will not enter into any contract with anyone other than its directors, general managers and other senior management officers to hand over the management of all or important business of the Company to such person without the approval by a special resolution in the shareholders' meeting.

**Article 88** The candidate list of directors and supervisors shall be submitted in the shareholders' meeting for voting in the form of proposals.

When directors and supervisors are elected in shareholders' meeting, the opinions of small and medium-sized shareholders should be fully reflected. When votes are cast in the shareholders' meeting on the election of directors and supervisors, the accumulative voting system may be implemented in accordance with the Articles of Association or the resolution of the shareholders' meeting. When directors are elected in the shareholders' meeting, the votes of independent directors and non-independent directors shall be cast separately.

Small and medium-sized shareholders refer to shareholders other than the Company's directors, supervisors, senior management officers and their related (connected) parties as well as other shareholders who individually or collectively hold more than 10% of the Company's shares and their related (connected) parties.

The accumulative voting system mentioned in the preceding paragraph means that, when directors or supervisors are elected in the shareholders' meeting, each share has the voting rights of the same number as the number of directors or supervisors to be elected, and the voting rights owned by the shareholders can be used collectively. The board of directors shall make announcement to shareholders for the resumes and basic information of candidate directors and supervisors.

The methods and procedures for nomination of directors and supervisors are as follows:

- (1) For non-employee representative directors, the board of directors and shareholders who individually or collectively hold more than 1% of the Company's total voting shares will propose a list of director candidates and submit it in the shareholders' meeting for voting in the form of a proposal;
- (2) For non-employee representative supervisors, the board of supervisors and shareholders who individually or collectively hold more than 1% of the Company's total voting shares will propose a list of supervisor candidates and submit it in the shareholders' meeting for voting in the form of a proposal;
- (3) The staff representative director or supervisor shall be elected through the Company's staff representative meeting, staff meeting or by other democratic means; and
- (4) For independent directors, the board of directors and shareholders who individually or collectively hold more than 1% of the Company's total voting shares will propose a list of independent director candidates and submit it in the shareholders' meeting for voting in the form of a proposal;

**Article 89** When the accumulative voting system is implemented in the shareholders' meeting to elect directors and supervisors, it shall abide by the following rules:

- (1) The number of candidates for directors or supervisors may be greater than the number of candidates to be elected in the shareholders' meeting, but the number of candidates for or against whom each shareholder may vote cannot exceed the number of directors or supervisors to be elected in the shareholders' meeting, and the total number of votes allocated cannot exceed the number of votes owned by shareholders, or otherwise the vote will be invalidated;
- (2) The final successful candidates will be determined according to the order of the number of votes received by the director or supervisor candidates, but the minimum votes obtained by each successful candidate must exceed half of the total shares held by shareholders (including proxies) attending the shareholders' meeting. If the number of elected directors or supervisors is less than the number of directors or supervisors to be elected in the shareholders' meeting, all the director or supervisor candidates who do not have enough votes should be voted again for the vacancies. If the vacancies cannot be filled up, by-election will be held at the Company's next session of shareholders' meeting. If more than two director or supervisor candidates receive the same number of votes, only some candidates can be successful as a results of the limited quota proposed for election, and those director or supervisor candidates who receive the same number of votes need to be re-elected by poll separately.

**Article 90** In addition to the accumulative voting system, all the proposals shall be voted separately in the shareholders' meeting. If there are different proposals for the same matter, voting shall be carried out based on the chronological order of the proposal submission time. Shareholders shall not vote in favor of all the various proposals for the same matter at the shareholders' meeting.

Unless the shareholders' meeting is suspended or a resolution cannot be passed due to special reasons such as force majeure, no proposal could be stayed or rejected for voting in the shareholder's meeting.

**Article 91** When a proposal is being considered in the shareholders' meeting, no modifications could be made to the proposal, or otherwise the relevant changes would be regarded as a new proposal which cannot be voted at the current shareholders' meeting.

**Article 92** The same voting right can only be used via either the on-site or other voting methods. If there is repeated voting for the same voting right, the first vote shall be adopted as the result.

**Article 93** At any shareholders' meeting, voting shall be conducted by open poll.

**Article 94** Before the shareholders' meeting votes on a proposal, two shareholders' representatives shall be elected to participate in the vote counting and vote scrutiny. When a shareholder has a conflict of interest with a matter being considered, he/she and his/her proxies may not participate in the vote counting or vote scrutiny.

When the shareholders' meeting votes on a proposal, shareholders' representatives and supervisors' representatives shall be jointly responsible for counting and scrutinizing votes and shall announce the voting results at the meeting. The voting results shall be recorded in the minutes of the meeting.

Shareholders of the Company or their proxies, who have cast their votes by other means, shall have the right to check the voting results in the way in which they have cast their votes.

**Article 95** The ending time of a shareholders' meeting shall not be earlier than that of other access to the meeting. The chairman of the meeting shall announce the voting outcome and results for each proposal, and whether or not such proposal has been passed according to such voting results.

Prior to the formal announcement of voting results, the Company, vote-counters, scrutineers, substantial shareholders and relevant parties involved in voting at the shareholders' meeting or by other means, shall be obliged to keep the status of voting confidential.

**Article 96** A shareholder attending a shareholders' meeting shall express one of the following opinions on any proposal put to vote: for, against or abstention.

If a poll is blank, marked erroneously, illegible or has not been cast, the voter shall be deemed to have waived his/her right to vote and the voting results for the number of shares that he/she holds shall be recorded as "abstained".

**Article 97** If the chairman of the meeting has any doubt as to the result of a resolution put to vote at the meeting, he may have the votes counted. If the chairman of the meeting fails to have the votes counted, any shareholder present in person or by proxy and who objects to the result announced by the chairman of the meeting shall have the right to demand that the votes be counted immediately after the declaration of the voting result, and the chairman of the meeting shall have the votes counted promptly.

**Article 98** The resolution of the shareholders' meeting shall be announced in a timely manner, stating the number of attending shareholders and proxies, the total number of their voting shares and their percentages to the total number of the voting shares of the Company, the voting methods, the voting result for each proposal, and the details of each resolution passed at the meeting.

**Article 99** Where a proposal has not been passed or the resolutions of the preceding shareholders' meeting have been changed at the current shareholders' meeting, special mention shall be made in the resolutions of the shareholders' meeting.

**Article 100** Where a resolution on the election of a director or supervisor is passed at the shareholders' meeting, the newly-elected director or supervisor shall take office when relevant resolution is adopted at the meeting.

**Article 101** Where a proposal in relation to the payment of cash dividends, the issue of bonus shares or the capitalization of capital reserves has been passed at the shareholders' meeting, the Company shall implement the specific plans within 2 months after the conclusion of the shareholders' meeting.

## **Section 7 Special Procedures for Voting by Class Shareholders**

**Article 102** Shareholders holding different classes of shares are referred to as class shareholders.

A class shareholder shall enjoy rights and assume obligations in accordance with laws, administrative regulations, normative documents, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed and the Articles of Association.

**Article 103** In the event that the Company intends to alter or abolish the rights of class shareholders, such alteration or abolition may only be made after it is passed by special resolution at a shareholders' meeting, and at shareholders' meetings respectively convened by affected class shareholders in accordance with the Articles of Associations.

Changes in or abrogation of the rights of a class of shareholders as a result of changes in the PRC and overseas laws, administrative regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed, and decisions made by securities regulatory authorities in the PRC and overseas in accordance with the law, do not require the approval of the shareholders' meeting or the class meeting.

The act of a holder of the Company's domestic shares transferring all or part of its unlisted shares to an overseas investor and having them listed and traded overseas, or the act of converting all or part of its domestic shares into overseas listed shares and having them listed and traded on an overseas stock exchange, shall not be regarded as the Company's intention to change or abrogate the rights of the class shareholders.

**Article 104** The following scenarios shall be deemed as alteration or abolition of the rights of a class shareholder:

- (1) Increase or decrease the number of shares of that class, or increase or decrease the number of shares of a class entitled to equal or more voting rights, distribution rights and other privileges as the shares of that class;
- (2) Change all or part of the shares of that class to the shares of another class, or change all or part of the shares of another class to the shares of that class or grant the conversion rights thereto;
- (3) Cancel or reduce the rights owned by the shares of that class to acquire the accrued dividends or cumulative dividends;

- (4) Reduce or cancel the rights owned by the shares of that class to the priority to obtain dividends or the distribution of property during the liquidation of the Company;
- (5) Increase, cancel or reduce the share conversion rights, options, voting rights, transfer rights, priority placement rights and the rights to obtain securities of the Company owned by the shares of that class;
- (6) Cancel or reduce the rights owned by the shares of that class to receive payables from the Company in a particular currency;
- (7) Establish a new class entitled to equal or more voting rights, distribution rights or other privileges as the shares of that class;
- (8) Impose restrictions on or increase such restrictions on the transfer or ownership of the shares of that class;
- (9) Issue share options or share conversion rights in respect of the shares of that or another class;
- (10) Increase the rights and privileges of the shares of other classes;
- (11) A corporate restructuring program constitutes the unproportionate distribution of responsibilities undertaken by the shareholders of different classes in the restructuring; and
- (12) Modify or repeal the clauses hereof.

**Article 105** Affected class shareholders, regardless of formerly having the voting rights at shareholders' meetings or not, shall have voting rights at class meetings in relation to matters in items (2) to (8) and (11) to (12) of Article 104 hereof. However, interested shareholders shall not have any voting rights at class meetings.

For the purpose of the preceding paragraph, the expression "interested shareholders" shall have the following meanings:

- (1) When the Company makes a repurchase offer to all shareholders by the same proportion in accordance with the Articles of Association, or buys back its own shares through public trading on the Stock Exchange of Hong Kong, "interested shareholders" mean the controlling shareholders as defined under the Articles of Association;
- (2) When the Company repurchases its own shares by agreement outside the Stock Exchange of Hong Kong in accordance with the Articles of Association, "interested shareholders" mean the shareholders in relation to that agreement; and
- (3) In a corporate restructuring program, "interested shareholders" mean the shareholders who undertake obligations at a proportion lower than that of the other shareholders of the same class, or the shareholders having an interest different from that of other shareholders of that class.



**Article 106** Resolutions may only be made at a class meeting after they are passed by votes representing more than two-thirds of the shareholders with voting rights present thereat in accordance with Article 105 hereof.

**Article 107** To convene a class meeting, the Company shall give notice in writing with reference to the time limit for giving notice of annual and extraordinary general meetings as herein provided, notifying all the shareholders of that class of shares on the register of the matters to be considered thereat as well as the date and venue of the meeting.

If the number of voting shares represented by shareholders who intend to attend the meeting amounts to one-half or more of the total number of voting shares of the Company, the Company may convene a class meeting. Otherwise, the Company shall within 5 days give the shareholders further notice of the matters to be considered at the meeting as well as the date and venue of the meeting by way of an announcement. The Company may convene a class meeting after such announcement is made.

**Article 108** The notice of a class meeting shall only be given to the shareholders with the rights to vote thereat.

The procedures for convening a class meeting shall be as similar as possible to those for convening a shareholders' meeting. The clauses herein regarding the procedures for convening a shareholders' meeting shall apply to class meetings.

**Article 109** Other than the shareholders of other classes of shares, holders of domestic shares and overseas-listed foreign-invested shares shall be regarded as different classes of shareholders.

## **Chapter V Board of Directors**

### **Section 1 Directors**

**Article 110** A director of the Company who is a natural person shall not act as the director of the Company under any of the following circumstances:

- (1) Lacking or having limited capacity to engage in civil juristic acts;
- (2) Having been sentenced to any criminal penalty due to an offense of corruption, bribery, encroachment of property, misappropriation of property or disrupting the economic order of the socialist market, with less than 5 years having elapsed since the completion date of the execution of the penalty; or having ever been deprived of political rights due to any crime, with less than 5 years having elapsed since the completion date of the execution of the penalty, or having been granted probation, with less than 2 years having elapsed since the completion date of the probation period;
- (3) Acting as a director, factory director or general manager of a company or enterprise that has been bankrupt and liquidated, whereby the director is personally liable for the bankruptcy of such company or enterprise, with 3 years having not elapsed since the completion date of the bankruptcy and liquidation of the company or enterprise;

- (4) Acting as the legal representative of a company or enterprise, but the business license of this company or enterprise has been revoked and this company or enterprise has been ordered to close due to a violation of the law, whereby the director is personally liable for the revocation, with 3 years having not elapsed since the revocation date of the business license thereof;
- (5) Classified as a dishonest person subject to enforcement due to significant outstanding debts that have become due but have not been paid;
- (6) Prohibited from entering the securities market or recognized as an unsuitable candidate by the CSRC with the penalty period not yet expired;
- (7) Recognized by the National Equities Exchange and Quotations or stock exchanges as unsuitable for serving as a director, supervisor or senior management officer of a company, with the disciplinary action period not yet expired; or
- (8) Other circumstances as stipulated by the CSRC, National Equities Exchange and Quotations, the Hong Kong Listing Rules, and other securities regulatory rules of the places where the Company's shares are listed.

If a director is elected or appointed in violation of the provisions hereof, such election, appointment or employment shall be null and void. The Company shall terminate the office of a director in the event that the circumstances hereof arise during his/her tenure of office.

**Article 111** Directors shall be elected or replaced at the shareholders' meeting for a term of three years. Upon maturity of the tenure of office, a director shall be eligible to offer himself/herself for re-election and re-appointment. Before the expiration of the tenure of office, the shareholders' meeting cannot terminate the post of the director without justifiable reasons.

The tenure of office of a director shall be calculated from the date of appointment until the expiry of the current term of the board of directors. If the tenure of office of a director expires but re-election is not made in a timely manner, the said director shall continue to perform the duties as a director in accordance with the provisions of laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed, and the Articles of Association until the re-elected director assumes office. The director, if resigning, shall notify the Company in writing, and the resignation shall take effect on the date upon receipt of the notification by the Company, provided that the director shall continue to perform the duties as a director if there are circumstances set forth in the preceding paragraph.

The shareholders' meeting may resolve to dismiss a director, and the dismissal shall take effect on the date of the resolution. If a director is dismissed before the expiration of his/her tenure of office without justifiable reasons, the director may demand compensation from the Company.



A director may concurrently hold the position of the general manager or other senior management officer. However, the total number of directors who also hold positions as general managers or other senior management officers and who are employee representatives shall not exceed half of the total number of directors of the Company.

**Article 112** Directors shall comply with laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed and the Articles of Association, and bear the following duties of loyalty to the Company:

- (1) Not to exploit their positions to accept bribes or obtain other illegal income, not to expropriate the Company's property;
- (2) Not to misappropriate the Company's funds;
- (3) Not to open any account in their own name or in any other name for the deposit of the Company's assets or funds;
- (4) Not to enter into contracts or transactions with the Company, directly or indirectly, without reporting to the board of directors or the shareholders' meeting on matters relating to the entering into of such contracts or transactions and having such matters resolved by the board of directors or the shareholders' meeting in accordance with the provisions of the Articles of Association;
- (5) Without the consent of the shareholders' meeting, the Company shall not make use of the convenience of its office to obtain for itself or others business opportunities that should belong to the Company; provided, however, that any of the following circumstances shall be excluded: (1) reporting to the board of directors or the shareholders' meeting and passing a resolution by the board of directors or the shareholders' meeting in accordance with the provisions of the Articles of Association; and (2) the Company shall not be able to make use of the business opportunity in accordance with the laws, administrative regulations or the provisions of the Articles of Association;
- (6) Not to conduct any businesses similar to those of the Company for themselves or others without reporting to the board of directors or the shareholders' meeting and obtain a resolution from the board of directors or the shareholders' meeting in accordance with the provisions of the Articles of Association;
- (7) Not to accept for its own use commissions from others for transactions with the Company;
- (8) Not to disclose any secret of the Company unauthorizedly;
- (9) Not to use their related (connected) relationships to harm the interests of the Company; and
- (10) To fulfill other duties of loyalty stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed and the Articles of Association.

The provisions under (4) above shall be applicable to the close family members of the directors, supervisors and senior management officers and the enterprises directly or indirectly controlled by the directors, supervisors and senior management officers or their close family members, and the related (connected) persons who have other related (connected) relationships with the directors, supervisors and senior management officers when they enter into contracts or conduct transactions with the Company.

Directors' income derived from violation of this Article shall belong to the Company; and if the performance of duties is in violation of laws, administrative regulations or the provisions of the Articles of Association, the directors shall be liable to compensate any loss incurred therefrom to the Company.

**Article 113** Directors shall comply with laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed and the Articles of Association, and bear the following duties of care to the Company:

- (1) To prudently, conscientiously and diligently exercise the rights granted by the Company, so as to ensure that the business practices of the Company comply with national laws, administrative regulations and the requirements of various economic policies of the state, and that its business activities do not fall beyond the scope of business specified in the business license;
- (2) To treat all shareholders impartially;
- (3) To keep informed of the operation and management conditions of the Company;
- (4) To sign the written confirmation in respect of the regular reports of the Company to assure that the information disclosed by the Company is true, accurate and complete;
- (5) To honestly provide the board of supervisors with relevant information and data, and not to prevent the board of supervisors or supervisors from performing its or their duties and powers; and
- (6) To fulfill other duties of care stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed and the Articles of Association.

If the controlling shareholders or de facto controllers of the Company do not serve as directors of the Company but actually manage the affairs of the Company, the provisions of Article 112 and Article 113 shall apply.

**Article 114** If any director fails to attend in person or appoint other directors as his/her representative to attend meetings of the board of directors for two consecutive times, such director shall be deemed to have failed to perform his duties, and the board of directors shall propose to replace such director at the shareholders' meeting.

**Article 115** A director may resign before expiry of his/her term of office, provided that a written resignation report in respect of his/her resignation shall be submitted to the board of directors and the board of directors shall disclose the relevant information within 2 days.

The resignation of a director shall take effect from the time when the board of directors received the report of resignation, except in the following circumstances:

- (1) The resignation of a director causes the number of board members to be less than the quorum; and
- (2) The resignation of an independent director will result in the proportion of independent directors on the board of directors or its committees not complying with the provisions of laws and regulations or the Articles of Association, or there is a lack of accounting professionals among the independent directors.

The existing director shall continue to perform his/her duties as a director in accordance with laws, administrative regulations, departmental rules, and the Articles of Association before the re-elected director take office, except in the case of a director who intends to resign, there are circumstances that preclude him from being nominated for election as a director of the Company. In the aforementioned circumstances, the resignation report shall not take effect until the successor fills the vacancy created by such director's resignation. Before the resignation report takes effect, the intending resigning directors shall continue to perform their duties as directors. In such cases, the Company shall complete the supplementary election of supervisors within two months.

Save for the circumstances referred to in the preceding paragraph, the director's resignation takes effect upon delivery of his/her resignation report to the board of directors.

**Article 116** When a director's resignation takes effect or his/her term of office expires, the director shall complete all transfer procedures with the board of directors. His/her duties of loyalty towards the Company and the shareholders do not necessarily cease after the termination of his/her term of office and shall still be in effect for a period of 3 years after the date on which his resignation takes effect or the expiry of his term of office.

**Article 117** No director may act on behalf of the Company or the board of directors in his/her own name unless the Articles of Association specifies that he/she may do so or he/she is lawfully authorized to do so by the board of directors. A director shall declare his/her position and capacity in advance if, when such director is acting in his/her private capacity, a third party would reasonably assume him/her to be acting on behalf of the Company or the board of directors.

**Article 118** If a director breaches the laws, administrative regulations, departmental rules, or the Articles of Association when performing his/her duties and causes losses to the Company, he/she shall be held responsible for damages.

**Article 119** The appointment conditions, nomination and election procedures, functions and powers and other related matters of the independent directors shall be subject to the laws, regulations, the Hong Kong Listing Rules and other securities regulatory rules of the places where the Company's shares are listed. Independent directors exercise the following special powers:

- (1) Independently hiring intermediary institutions to audit, consult, or verify specific matters of the Company;
- (2) Proposing to the board of directors to convene an extraordinary general meeting;
- (3) Proposing to convene a board meeting;
- (4) Publicly soliciting shareholders' rights from shareholders in accordance with the law;
- (5) Giving independent opinions on matters that may damage the interests of the Company or minority shareholders; and
- (6) Other competences stipulated by laws, administrative regulations, relevant provisions of the CSRC, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association of the Company.

The exercise of the competences listed in (1) to (3) of this article by the independent directors shall be approved by a majority of all independent directors.

The Company shall make a disclosure in a timely manner if an independent director exercises the powers specified in (1) of this article. If an independent director is unable to exercise the aforesaid powers, the Company shall disclose the specific circumstances and reasons therefor.

The number of independent directors shall not be less than 3 persons and not be less than one-third of the total number of directors and shall include at least 1 director with appropriate professional qualifications or with appropriate accounting or related financial management expertise in compliance with the requirements of the Hong Kong Listing Rules. One independent director shall be permanently resident in Hong Kong. All independent directors shall be independent as required by the Hong Kong Listing Rules.

## **Section 2 Board of Directors**

**Article 120** The Company shall establish a board of directors, which is responsible for the shareholders' meeting.

**Article 121** The board of directors shall comprise eight directors. The board of directors shall have one chairman. Members of the Company's board of directors include three independent directors.

**Article 122** The board of directors shall exercise the following functions and powers:

- (1) To convene the shareholders' meeting and report to the shareholders' meeting;
- (2) To implement the resolutions adopted at shareholders' meeting;
- (3) To decide on the Company's business plans and investment plans;
- (4) To formulate the Company's plan for profit distribution and plan for recovery of losses;
- (5) To formulate plans for increases or reductions of the Company's registered capital and plans for the issue and listing of corporate bonds or other securities;
- (6) To formulate plans for material asset acquisition and purchase of the Company's shares, or merger, demerger, dissolution and change of corporate form of the Company;
- (7) Within the authorization scope by the shareholders' meeting, to decide on matters such as external investment, acquisition and sale of assets, pledge of assets, external guarantee matters, entrusted financial management and related (connected) transactions;
- (8) To decide on the establishment of the Company's internal management structure;
- (9) To appoint or dismiss the Company's general manager; and to appoint or dismiss other senior management officers of the Company, such as chief financial officer and the secretary to the board of directors pursuant to the nomination of the general manager; and to decide on matters of compensation and rewards and penalties;
- (10) To formulate the Company's basic management system;
- (11) To formulate proposals for amendment to the Articles of Association;
- (12) To manage the Company's disclosure matters;
- (13) To propose to the shareholders' meeting for the appointment or replacement of the accounting firm that audits the Company;

- (14) To receive work reports from the Company's general manager and to inspect the general manager's work; and
- (15) To exercise other functions and powers conferred by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed, the Articles of Association or the shareholders' meeting.

During the recess of meetings of the board of directors, the chairman of the board of directors is authorized to exercise part of the functions and powers of the board of directors on behalf thereof, provided that the board of directors shall make collective decisions on significant matters and shall not authorize the statutory functions and powers to individual directors or other persons.

**Article 123** The Company's board of directors has established four special committees, namely the Audit Committee, the Nomination Committee, the Remuneration Committee and the Environmental, Social and Corporate Governance (ESG) Committee. The special committees are accountable to the board of directors and perform their duties in accordance with the Articles of Association and the authorization of the board of directors, and their proposals shall be submitted to the board of directors for consideration and approval. The board of directors shall formulate the working rules for each of the special committees of the board of directors and regulate the operation of the special committees. All members of the special committees shall be directors with compositions as follows:

- (1) All members of the Audit Committee shall be non-executive directors not acting as senior management officers in the Company, and shall have no relationship with the Company that may affect their independent and objective judgment. The Audit Committee shall consist of at least three members, including at least one independent director with appropriate professional qualifications in compliance with the regulatory requirements or with appropriate accounting or related financial management expertise, who shall act as the chairman of the Audit Committee (convener). A majority of the members of the Audit Committee shall be independent directors;
- (2) A majority of the members of the Nomination Committee shall be independent directors, and an independent director shall act as the chairman of the Nomination Committee (convener); and
- (3) A majority of the members of the Remuneration Committee shall be independent directors, and an independent director shall act as the chairman of the Remuneration Committee (convener).

Prior to a resolution made by the board of directors, the following matters shall be approved by a majority of all members of the Audit Committee:

- (1) The appointment or dismissal of the auditing firm responsible for the audit business of the Company;
- (2) The appointment or dismissal of the financial officer;
- (3) The disclosure of the financial and accounting reports; and
- (4) Other matters prescribed by the securities regulatory authority under the State Council, Hong Kong Stock Exchange or other competent securities regulatory authorities.

The terms of reference of each of the aforesaid special committees as well as the remuneration appraisal mechanism for directors, supervisors and senior management officers are set out in the detailed terms of reference of the aforesaid special committees.

**Article 124** The board of directors of the Company shall explain to the the shareholders' meeting when a certified public accountant issues a non-standard audit opinion in respect of the Company's financial reports.

**Article 125** The board of directors shall develop the rules of procedure of the board of directors in order to execute the resolutions of the shareholders' meeting, improve work efficiency and ensure scientific decision-making, which shall be submitted to the shareholders' meeting for approval and attached as an annex to the Articles of Association.

The board of directors shall, at the end of each year, discuss and evaluate whether the corporate governance mechanism provides appropriate protection and equal rights to all shareholders and whether the corporate governance structure is reasonable and effective, and shall decide on the specific improvement measures to be taken based on the evaluation results.

**Article 126** The board of directors shall have the power to decide on the following transactions:

- (1) All matters relating to the provision of financial assistance to external parties other than those provided for in Article 44 of the Articles of Association;
- (2) All matters of external guarantee other than those provided for in Article 45 of the Articles of Association;
- (3) Except for the provision of guarantees, the authority of the board of directors to decide on connected transactions shall apply to connected transactions other than those provided for in Article 44 of the Articles of Association, involving transaction amounts exceeding \$500,000 between the Company and connected natural persons, and transaction amounts exceeding 0.5% of the Company's latest audited total assets and more than \$3 million between the Company and connected legal persons; and



- (4) Transactions that shall be submitted to the board of directors for consideration in accordance with the relevant provisions of the Hong Kong Listing Rules and other securities regulatory rules of the places where the Company's shares are listed.

**Article 127** In addition to the transactions under Article 126 above, transactions (other than the provision of guarantees) of the Company that meet the following criteria shall be considered by the board of directors, and if they meet the criteria for consideration by the shareholders' meeting, they shall also be submitted to the shareholders' meeting of the Company for consideration:

- (1) The transaction involving total assets (where both book value and appraised value exist, whichever is higher) or a transaction amount accounting for more than 20% of the Company's audited total assets for the latest accounting year;
- (2) the transaction involving a net asset amount or transaction amount representing more than 20% of the absolute value of the Company's audited net assets for the latest accounting year and exceeding \$3 million; and
- (3) Transactions which should be submitted to the board of directors for consideration in accordance with the relevant provisions of the Hong Kong Listing Rules and other securities regulatory rules of the places where the Company's shares are listed.

The board of directors shall establish strict review and decision-making procedures, under which matters not included in the scope of the decision-making authority of the board of directors are required to be approved by the shareholders' meeting and significant investment projects shall be evaluated by relevant experts and professionals and reported to the shareholders' meeting for approval.

**Article 128** The chairman of the board of directors shall be elected by a majority of all directors of the board of directors. The chairman of the board of directors shall exercise the following functions and powers:

- (1) To preside over the shareholders' meeting and to convene and preside over the meetings of the board of directors;
- (2) To supervise and inspect the implementation of resolutions of the board of directors;
- (3) To sign share certificates, corporate bonds and other marketable securities of the Company;
- (4) To sign material documents of the board of directors and other documents that shall be signed by the legal representative of the Company;
- (5) To exercise the functions and powers of the legal representative;

(6) In the event of force majeure emergencies, such as a major natural disaster, to exercise special disposition powers in relation to the Company's affairs in compliance with legal requirements and the interests of the Company, and subsequently report such activities to the board of directors and the shareholders' meeting of the Company; and

(7) To exercise any other functions and powers conferred by the board of directors.

**Article 129** If the chairman of the board of directors is unable to perform his duties or fails to perform his duties, a majority of the directors shall jointly elect a director to do so.

**Article 130** The board of directors shall convene at least two meetings per year, which shall be convened by the chairman of the board of directors, and shall notify all directors and supervisors in writing 10 days prior to the convening of the meeting; when the board of directors convenes an extraordinary general meeting, it shall issue a notice of the meeting in accordance with the provisions of these Articles of Association. The topics for board meetings shall be prepared in advance and sufficient decision-making materials shall be provided.

**Article 131** More than 1/10 of the shareholders with voting rights, majority of the independent directors or more than 1/3 of the directors or the board of supervisors may propose to convene an extraordinary board meeting. The chairman of the board of directors shall convene and chair the board meeting within 10 days after the receipt of the proposal.

**Article 132** The notice of extraordinary board meeting shall be served by hand, facsimile, telephone or e-mail 2 days before the date of the meeting.

**Article 133** A notice of a meeting of the board of directors in writing shall include the following:

- (1) The date and venue of the meeting;
- (2) The duration of the meeting;
- (3) The reasons and agenda of the meeting;
- (4) The date of notice given; and
- (5) Other circumstances as stipulated in the laws, administrative regulations, departmental rules or regulatory legal documents, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed .

**Article 134** The board meeting may be held only if more than half of the directors attend. Resolutions made by the board of directors shall be passed by more than half of all directors.

Each director shall have one vote for voting on resolutions of the board of directors.

**Article 135** A director who is associated with an enterprise or an individual involved in a resolution of a board meeting shall report in writing to the board of directors in a timely manner. A director who has an associated relationship shall not exercise his/her voting rights on the resolution, nor shall he/she exercise his/her voting rights on behalf of other directors, and his/her voting rights shall not be counted as part of his/her total number of voting rights. The relevant meeting of the board of directors may be held when more than half of the uninterested directors attend the meeting, and the resolutions made by the meeting of the board of directors shall be passed by more than half of the uninterested directors. If the number of uninterested directors attending the board meeting is less than 3, the matter shall be submitted to the shareholders' meeting of the Company for deliberation.

**Article 136** Voting on resolutions of the board of directors shall be conducted by counting of names and in writing.

Extraordinary meetings of the board of directors may be conducted by other means and resolutions may be made and signed by the participating directors, provided that the directors are given the opportunity to fully express their opinions.

**Article 137** Directors shall attend board meetings in person, and if they are unable to attend for any reason, they may appoint other directors in writing to attend on their behalf, and an independent director may not appoint a non-independent director to attend the meeting on his/her behalf. Where voting matters are involved, the proxy shall expressly state in the proxy form whether he/she agrees, disagrees or abstains on each matter. A director shall not give or accept a proxy without voting intention, a discretionary proxy or a proxy whose scope of authorization is unclear. A director's responsibility for voting matters will not be discharged by the presence of a proxy.

A director may not accept proxies from more than two directors to attend a board meeting on his/her behalf.

**Article 138** The minutes of the board meetings shall be true, accurate and complete. The board of directors shall make minutes of its decisions on the matters discussed, and the directors attending the meeting, the secretary of the board of directors and the person who records the minutes shall sign on the minutes.

The minutes of board meetings shall be kept as archives of the Company for a period of no less than 10 years.

**Article 139** The minutes of a meeting of the board of directors shall include the following particulars:

- (1) the date and venue of the meeting, and the name of the convener;
- (2) the names of the directors attending the board meeting and directors (proxies) appointed by others to attend the board meeting;
- (3) the agenda of the meeting;

- (4) the main points of directors' speeches;
- (5) the method and results of the voting for each proposal (the voting results shall state the number of affirmative and negative votes and number of abstention); and
- (6) Other contents stipulated by laws, administrative regulations, departmental rules or normative legal documents, the Hong Kong Listing Rules, and other securities regulatory rules of the places where the Company's shares are listed.

The directors shall be liable for the resolutions of the board of directors. If a resolution of the board of directors violates the law or the Articles of Association or a resolution of the shareholders' meeting and causes the Company to suffer serious losses, the directors who participated in the resolution shall be liable to the Company for compensation; however, if it is proved that they have expressed dissenting views at the time of voting and recorded in the minutes of the meeting, such directors may be exempted from liability.

## **Chapter VI General Managers and Other Senior Management Officers**

**Article 140** The Company's general manager, chief financial officer, and secretary to the board of directors are the Company's senior management officers and shall be appointed or dismissed by the board of directors.

**Article 141** Regarding the circumstances under which a person may not serve as a director, Article 110 of the Articles of Association shall also apply to senior management officers. In addition to meeting the requirements of the preceding paragraph, the chief financial officer as a senior management officer shall also possess professional and technical qualifications at or above the level of certified public accountant, or have a professional background in accounting and have been engaged in accounting work for at least three years.

The provisions of Article 112 of the Articles of Association regarding the duty of loyalty of directors and the Items (4), (5), and (6) under section 1 of Article 113 of the Articles of Association regarding the duty of diligence shall also apply to the senior management officers.

**Article 142** Persons in executive positions other than directors and supervisors in entities acting as the Company's controlling shareholders or de facto controllers shall not serve as the Company's senior management officers.

The Company's senior management officers are remunerated solely by the Company and shall not be paid by the controlling shareholders on behalf of the Company.

**Article 143** The tenure of office for the general manager shall be three years and is renewable upon reappointment.

**Article 144** The general manager is accountable to the board of directors and exercises the following functions and powers:

- (1) To be in charge of the production, operation and management of the Company, to organize and implement the resolutions of the board of directors, and to report to the board of directors;
- (2) To organize the implementation of the Company's annual business plans and investment plans;
- (3) To formulate plans for the establishment of the Company's internal management institutions;
- (4) To formulate plans for the Company's basic management system;
- (5) To formulate the rules and regulations of the Company;
- (6) To propose to the board of directors the appointment and dismissal of the chief financial officer and the secretary to the board of directors of the Company;
- (7) To decide on the appointment and dismissal of the management officers other than those required to be employed or dismissed by the board of directors; and
- (8) To exercise other functions and powers conferred by the Articles of Association and the board of directors.

The general manager shall attend meetings of the board of directors as a non-voting attendee.

**Article 145** The general manager shall formulate his/her terms of reference, which shall come into effect upon approval by the board of directors.

**Article 146** The terms of reference of the general manager shall include the following particulars:

- (1) Conditions and procedures for convening the general manager's meeting, and the participants;
- (2) Specific duties and functions of the general manager and other senior management members;
- (3) Use of funds and assets of the Company, authority for entering into material contracts and the reporting systems of the board of directors and the board of supervisors; and
- (4) Other matters which the board of directors considers necessary.

**Article 147** The Company shall appoint a secretary to the board of directors, who is responsible for the preparation of the Company's shareholders' meeting and meetings of the board of directors, the custody of documents as well as the management of the information of the Company's shareholders, and the disclosure of information.

The secretary to the board of directors shall comply with the relevant provisions of laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed and the Articles of Association.

**Article 148** Senior management officers shall submit a written resignation report when they resign, and shall not circumvent the duties they are required to perform by resigning. Unless the transfer of duties has not completed and the relevant announcement has not been disclosed in respect of the resignation of the secretary of the board of directors, the resignation of senior management officers shall take effect from the time the resignation report reaches the board of directors.

In the aforesaid circumstances, the resignation report shall not take effect until the secretary of the board of directors has completed the transfer of duties and the relevant announcement has been disclosed. Before the resignation report takes effect, the secretary of the board of directors who intends to resign shall continue to perform his/her duties.

**Article 149** Senior management officers shall strictly implement the resolutions of the board of directors and the shareholders' meeting, etc., and shall not, without authorization, amend, refuse to implement, or negligently implement such resolutions. Senior management officers shall be liable for any losses caused to the Company as a result of their breach of the provisions of laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the places where the Company's shares are listed or the Articles of Association in the performance of their duties for the Company.

## **Chapter VII Board of Supervisors**

### **Section 1 Supervisors**

**Article 150** The situations in which one is not allowed to serve as director as stipulated in Article 110 of the Articles of Association shall also apply to supervisor.

Directors, general manager and other senior management officers shall not serve as supervisors concurrently. The spouses and direct relatives of the directors and senior management officers are not allowed to serve as supervisors of the Company during the tenure of the such Company's directors and senior management officers.

**Article 151** Supervisors should possess relevant professional knowledge or work experience and have the capability to effectively perform their duties. Supervisors should comply with laws, administrative regulations, and the Articles of Association, and have a duty of loyalty and diligence to the Company. In performing their duties, they should exercise the reasonable care that a general manager should typically have for the best interests of the Company. The provisions of Article 112 of the Articles of Association regarding the fiduciary duties of directors shall also apply to supervisors.

**Article 152** The tenure of office of supervisors shall be three years. Upon maturity of the tenure of office, a supervisor shall be eligible to offer himself/herself for re-election and re-appointment.

**Article 153** Supervisors, if resigning, shall submit written resignation reports, and shall not circumvent their due responsibilities by resigning or other means. The resignation of a supervisor shall take effect from the time upon delivery of the resignation report to the board of supervisors, except in the following cases:

- (1) The resignation of the supervisor results in the number of members of the board of supervisors being less than the quorum; or
- (2) The resignation of a staff representative supervisor results in the number of staff representative supervisors being less than one-third of the total members of the board of supervisors.

In the aforementioned circumstances, the resignation report shall not take effect until the successor fills the vacancy created by such supervisor's resignation. Before the resignation report takes effect, the intending resigning supervisors shall continue to perform their duties as supervisors. In such cases, the Company shall complete the supplementary election of supervisors within two months.

**Article 154** Supervisors shall ensure that the information disclosed by the Company is true, accurate and complete.

**Article 155** Supervisors may attend the board of directors meeting as non-voting participants and may raise enquiries or make suggestions regarding matters to be resolved by the board of directors.

If supervisors find that directors, senior management officers and the Company have violated laws and regulations, departmental rules, Business Rules, the Hong Kong Listing Rules, other securities regulatory rules where the Company's shares are Listed, the Articles of Association or resolutions passed at shareholders' meeting, which have already caused or may cause significant losses to the Company, they should promptly report to the board of directors and board of supervisors, requesting the board of directors and senior management officers to rectify.



**Article 156** Supervisors have the right to understand the Company's operating conditions. The Company should take measures to safeguard the right to information of the supervisors and provide necessary assistance for the supervisors to perform their duties normally. No one shall interfere or obstruct.

**Article 157** Supervisors shall be liable for any losses caused to the Company as a result of their breach of the provisions of laws, administrative regulations, departmental rules or the Articles of Incorporation in the performance of their duties for the Company.

## **Section 2 Board of Supervisors**

**Article 158** The Company shall establish the board of supervisors. The board of supervisors shall be comprised of three supervisors, including two shareholder representative supervisors and one staff representative supervisor. The staff representative supervisor shall be elected by the Company's staff representative meeting, staff meeting, or by other democratic means.

The board of supervisors shall have 1 chairman. The chairman of the board of supervisors shall be elected by a majority of all supervisors. The chairman of the board of supervisors shall convene and preside over meetings of the board of supervisors; if the chairman is unable or fails to perform his duties, a supervisor who has been elected by a majority of the supervisors shall convene and preside over meetings of board of supervisors.

**Article 159** The board of supervisors shall understand the operation of the Company, review the Company's financial positions, supervise the legal compliance of the Company's directors and senior management officers in the performance of their duties, exercise other functions and powers stipulated in the Company's Articles of Association, and safeguard the legitimate rights and interests of the Company and its shareholders. The board of supervisors may independently engage intermediary agencies to provide professional advice.

The board of supervisors shall exercise the following functions and powers:

- (1) To audit the Company's periodic reports prepared by the board of directors and provide written audit opinions;
- (2) To review the Company's financial position;
- (3) To monitor the compliance of directors and senior management officers with laws and regulations, departmental rules, Business Rules, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed and the Articles of Association and their performance of duties, and propose the dismissal of any directors and senior management officers who violate the laws, administrative regulations, the Articles of Association or resolutions of the shareholders' meeting;
- (4) To demand directors and senior management officers to make rectifications if their conduct have been detrimental to the Company's interest;

- (5) To propose the convening of an extraordinary shareholders' meeting, and convene and preside over the shareholders' meeting when the board of directors fails to perform such duties specified under the Company Law;
- (6) To submit proposals to the shareholders' meeting;
- (7) To bring an action against a director and senior management officer in accordance with Article 189 of the Company Law;
- (8) To conduct investigations if there are any abnormal situations detected in the Company's operations, and to employ professional organizations such as accounting firms and law firms to assist in its work at the Company's expense if necessary; and
- (9) To exercise other functions and powers specified in laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the places where the Company's shares are listed or the Articles of Association.

The board of supervisors may require directors and senior management officers to submit reports on the performance of their duties.

**Article 160** The board of supervisors shall convene at least once a meeting every six months. The supervisors may propose to convene extraordinary meetings of the board of supervisors. In convening the regular or extraordinary meetings of the board of supervisors, the board of supervisors shall give the written notice of the meetings to all supervisors by hand, fax, e-mail or other means 10 days and 2 days in advance, respectively. The board of supervisors may require directors, senior management officers, internal and external auditors, and others to attend the meetings of the board of supervisors as non-voting participants to reply to issues concerned.

Resolutions of the board of supervisors shall be passed by a simple majority of all supervisors. Resolutions of the board of supervisors shall be made by way of voting with one vote for each supervisor.

**Article 161** The board of supervisors shall formulate the rules of procedure for the board of supervisors which specifies method of discussion and voting procedure of the board of supervisors, to ensure the working efficiency and scientific decision-making of the board of supervisors, which shall be submitted to the shareholders for approval and serve as an appendix to the Articles of Association.

**Article 162** The board of supervisors shall record the decisions of the matters discussed in the meeting, and the minutes of the board of supervisors shall be true, accurate, and complete. The supervisors attending the meeting and the minute taker should sign the minutes. The expenses necessary for the board of supervisors to exercise their powers shall be borne by the Company.

Supervisors have the right to request that some explanatory records are made for their statements at the meeting. Minutes of the board of supervisors are kept as Company records for at least 10 years.

**Article 163** The notice of the meeting of the board of supervisors shall include the following:

- (1) the date, venue and duration of the meeting;
- (2) the reasons and agenda of the meeting;
- (3) the date of notice given; and
- (4) other circumstances as stipulated in the laws, administrative regulations, departmental rules or regulatory legal documents, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed.

## **Chapter VIII Financial and Accounting System, Profit Distribution and Audit**

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

**Article 164** The Company shall establish its financial and accounting system in accordance with the law, administrative regulations and the provisions stipulated by the relevant authorities of the People's Republic of China. If the financial and accounting system is otherwise provided in the relevant regulatory rules of the places where the Company's shares are listed, such regulatory rules shall prevail.

**Article 165** The Company prepares annual financial and accounting reports within 4 months from the end of each fiscal year, semi-annual financial and accounting reports within two months from the end of the first six months of each fiscal year, and quarterly financial and accounting reports within one month from the end of the first three months and the first nine months of each fiscal year.

The above-mentioned financial and accounting reports shall be prepared in accordance with relevant laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, and other securities regulatory rules of the places where the Company's shares are listed.

**Article 166** The Company shall not maintain books of accounts other than those provided for by law. No assets of the Company shall be deposited into any account opened in the name of any individual.

## **Section 2 Profit Distribution System**

**Article 167** In distributing the after-tax profits in the current year, the Company shall allocate 10% of such profits into its statutory reserve fund. When the aggregate amount of the statutory reserve fund of the Company is 50% or more of its registered capital, further allocations are not required.

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

After allocation of its after-tax profits to its statutory reserve fund, the Company may, subject to the approval by resolutions of the shareholders' meeting, allocate its after-tax profits to its discretionary reserve fund.

After making up for the losses and making allocations to the reserve fund, any remaining after-tax profits shall be distributed by the Company to its shareholders in proportion to their respective shareholdings unless it is stipulated that such distribution shall not be made in proportion to the shareholdings pursuant to the Articles of Association.

If the shareholders' meeting has, in violation of the provision of the preceding paragraph, distributed profits to shareholders before the Company has made up for its losses and made allocations to its statutory reserve fund, the shareholders shall return to the Company the profit distributed in violation of the provision. If the Company incurs losses due to such distribution, the shareholders and the directors, supervisors, and senior management officers who are held accountable shall be liable for compensation.

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

**Article 168** The reserve funds of the Company may be applied for making up for losses of the Company, expansion of the Company's production and operation or increase the capital of the Company. When applying the reserve funds to make up for the Company's losses, the discretionary reserve fund and the statutory reserve fund shall be used first; if such funds are still insufficient to make up for losses, the capital reserve fund may be applied in accordance with relevant provisions.

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

**Article 169** The Company's profit distribution policies are as follows:

- (1) The Company shall emphasize reasonable investment returns to investors and shall maintain continuity and stability in its profit distribution policies;
- (2) The Company shall adhere to the following principles in the distribution of dividends:  
1. to comply with relevant laws, regulations, rules and the Articles of Association, and carry out the distribution in accordance with the prescribed conditions and procedures; 2. to balance the long-term development of the Company with reasonable returns to investors; and 3. to implement the principle of "equal rights and dividend distribution for the same shares"; and
- (3) The Company may distribute dividends in the form of cash, shares, or a combination of cash and shares.

After the Company's shareholders' meeting has resolved on the profit distribution plan, the board of directors of the Company shall complete the distribution of dividends (or shares) within two months after the shareholders' meeting.

### **Section 3 Internal Audit**

**Article 170** The Company shall adopt an internal audit system and designate dedicated auditors to carry out internal audit supervision of the Company's financial income and expenditure and economic activities.

**Article 171** The Company's internal audit system and the responsibilities of its auditors shall be implemented with the approval of the board of directors. The head of audit is accountable and reports to the board of directors

### **Section 4 Appointment of Accountant Firm**

**Article 172** The Company shall appoint an accounting firm that complies with the provisions of the Securities Law, the Hong Kong Listing Rules and other securities regulatory rules of the places where the Company's shares are listed to conduct audits of accounting statements, verification of net assets and other related consulting services, etc., with a term of one year, which is renewable.

**Article 173** The appointment of an accounting firm by the Company shall be decided by the shareholders' meeting, hence the board of directors shall not appoint an accounting firm prior to the decision made by the shareholders' meeting.

**Article 174** The Company shall ensure the provision of true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information to the appointed accounting firm without any refusal, concealment or misrepresentation.

**Article 175** The audit fees of the accounting firm shall be determined by the shareholders' meeting.

**Article 176** When the Company removes or does not renew the appointment of the accounting firm, it shall notify the accounting firm 30 days in advance, and the accounting firm shall be allowed to state its opinions when the Company's shareholders' meeting votes on the removal of the accounting firm.

If the accounting firm resigns, it shall make clear to the shareholders' meeting whether there is any impropriety on the part of the Company

## **Chapter IX Notices and Announcements**

**Article 177** Notices of the Company may be delivered through the following means:

- (1) By hand;
- (2) By mail;
- (3) By fax;
- (4) By email;
- (5) By way of announcement;
- (6) By way of publishing information on websites designated by the Company and the Hong Kong Stock Exchange, subject to the laws, administrative regulations and regulatory rules of the places where the Company's shares are listed; and
- (7) By any other means as recognized by the laws, administrative regulations or normative documents and the securities regulatory authorities of the places where the Company's shares are listed or as provided in the Articles of Association.

**Article 178** For a notice delivered by the Company, once signed, the notice shall be deemed to have been delivered by the Company.

**Article 179** Any notice convening a shareholders' meeting of the Company shall be delivered by hand, fax, mail, email or announcement, etc.

**Article 180** Any notice convening a meeting of the board of directors of the Company shall be delivered by hand, fax, mail, email or announcement, etc.

**Article 181** Any notice convening a meeting of the board of supervisors of the Company shall be delivered by hand, fax, b, email or announcement, etc.

**Article 182** For a notice of the Company delivered by hand, the notice shall be deemed to have been received upon signing (or affixing the seal) by the recipient on the note of receipt and the receipt date shall be the date of delivery. If the notice is delivered by post, it shall be deemed to have been received on the fifth working day from the date upon which the post office receives the notice. If the notice is delivered by email, it shall be deemed to have been received on the date the e-mail arrives at the information system of the person to be served. If the notice is delivered by fax, or by way of publishing information on websites, it shall be deemed to have been received on the date the fax arrives at the fax system of the person to be served. If the notice is delivered by way of announcement, it shall be deemed to have been received by all relevant persons on the date on which the announcement is published.

**Article 183** The accidental omission to give a meeting notice to, or the failure of receipt of the meeting notice by, a person entitled to receive notice shall not invalidate any meeting and any resolution passed thereat.

**Article 184** Unless the context otherwise specifies, the “announcement” referred to in the Articles of Association shall mean, with respect to announcements made to the H-share shareholders or the announcements to be published in Hong Kong as required by the relevant requirements and the Articles of Association, the publication of announcement on websites of the Company and the Hong Kong Stock Exchange as well as other websites as may be required under the Hong Kong Listing Rules from time to time as required by the Hong Kong Listing Rules.

In respect of the manner in which the Company provides and/or distributes its communications to its H-share shareholders as required by the listing rules of the places where the Company’s shares are listed, and subject to the relevant listing rules of the places where the Company’s shares are listed, the Company may also send or provide its communications to the H-share shareholders of the Company either electronically or by posting a message on the Company’s website or on the website of the stock exchange of the places where the Company’s shares are listed to replace the manners in which the Company provides and/or distributes its communications to its H-share shareholders by hand or postage paid mail.

## **Chapter X Merger, Demerger, Capital Increase and Reduction, Dissolution and Liquidation**

### **Section 1 Merger, Demerger, Capital Increase and Reduction**

**Article 185** The merger of the Company may take the form of either merger by absorption or merger by establishment of a new entity

Merger by absorption refers to the merger realized by a company through the absorption of other companies, in which case the absorbed companies are dissolved. Merger by the establishment of a new entity refers to the merger of two or more companies to create a new company, in which case the merging parties are dissolved.



**Article 186** 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 after the date of the Company's resolution approving the merger and shall publish an announcement within 30 days in newspapers or on the National Enterprise Credit Information Publicity System and the websites and media stipulated in Article 184 of the Articles of Association. A creditor could require the Company to repay its debts or to provide a corresponding guarantee for such debts within 30 days from the date it receives the relevant notice or, in the case of a creditor who did not receive such notice, within 45 days from the date of the relevant announcement.

**Article 187** Upon merger, the claim and debts of each of the merged parties shall be assumed by the surviving party or the newly established company.

**Article 188** In the event of a division of the Company, its properties shall be divided up accordingly.

In the event of a division, the Company shall prepare balance sheets and inventories of properties. The Company shall notify its creditors within 10 days from the date on which a resolution is adopted in favor of the division and shall publish an announcement in a newspaper or in the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution.

**Article 189** Unless otherwise agreed in writing between the Company and its creditors in relation to the repayment of debts before the division, the surviving companies after the division shall be jointly and severally liable for the debts of the Company which have been incurred before such division.

**Article 190** The Company shall prepare balance sheets and inventories of properties when it reduces its registered capital.

The Company shall notify its creditors within 10 days from the date on which a resolution to reduce the registered capital is adopted and shall publish an announcement in a newspaper or in the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution. A creditor has the right to require the Company to repay its debts or to provide a corresponding guarantee for such debts within 30 days from the date it receives the relevant notice or, in the case of a creditor who did not receive such notice, within 45 days from the date of the relevant announcement.

The Company's registered capital after reduction shall not be less than the statutory minimum limit. If the Company reduces registered capital, the Company shall correspondingly reduce the amount of capital contribution or shares in proportion to shareholders' capital contributions or shareholdings, unless as otherwise provided by laws, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed, or the Articles of Association.

## **Section 2   Dissolution and Liquidation**

**Article 191** The Company shall be dissolved in any of the following circumstances:

- (1) The business period specified in the Articles of Association is expired or other causes of dissolution specified therein take place;
- (2) The shareholders' meeting resolves to dissolve the Company;
- (3) Dissolution is necessary due to a merger or demerger of the Company;
- (4) The business license is revoked, or the company is ordered to close or be shut down according to law; and
- (5) Where the Company has experienced material difficulties in operation and management, and the continuous operation would lead to substantial losses to the interests of its shareholders and there are no other solutions to resolve the matters, shareholders holding 10% or more of the total voting rights of the Company may appeal to the People's Court for dissolution of the Company.

If the Company has any grounds for dissolution specified in the preceding paragraph, it shall publicize the grounds for dissolution through the National Enterprise Credit Information Publicity System within ten days.

**Article 192** Where the Company is in the situation described in paragraph (1) and (2) of clause 1 of the Article 192 of the Articles of Association, and has not yet distributed property to shareholders, the Company may continue to exist by amending these Articles of Association or through resolutions in the shareholders' meeting.

The amendments to these Articles of Association pursuant to the preceding paragraph or by resolutions in the shareholders' meeting are subject to the approval by shareholders holding more than two-thirds of the voting rights of the shareholders presented at the shareholders' meeting.

**Article 193** Where the Company is dissolved under paragraph (1), (2), (4) and (5) of clause 1 of the Article 191 of the Articles of Association, it shall be liquidated. The directors are the obligors for the liquidation of the Company and a liquidation committee shall be formed within 15 days of the date of dissolution to carry out the liquidation.

The liquidation committee shall comprise the directors, unless the Articles of Association provide otherwise or it is resolved at a shareholders' meeting to elect another person(s). If the liquidation obligors fail to fulfill their liquidation obligations in a timely manner and cause losses to the Company or creditors, they shall be liable for compensation. If the Company fails to establish a liquidation committee to carry out liquidation after the expiry of the time limit or fails to carry out liquidation after establishing the liquidation committee, the interested parties can apply to the people's court for appointing relevant officers to establish the liquidation committee to carry out the liquidation.

**Article 194** The liquidation committee shall exercise the following powers and functions during the liquidation period:

- (1) to liquidate the Company's assets and prepare a balance sheet and an inventory list for assets;
- (2) to notify creditors and publish announcement;
- (3) to handle outstanding businesses of the Company related to liquidation;
- (4) to settle all taxes in arrears and taxes arising in the course of liquidation;
- (5) to liquidate creditor's rights and debts;
- (6) to allocate the Company's remaining assets after the debts are paid off; and
- (7) to conduct civil lawsuits on behalf of the Company.

**Article 195** The liquidation committee shall notify creditors within 10 days from the date of its establishment and shall, within 60 days, make an announcement in a newspaper or on the National Enterprise Credit Information Publicity System. The creditors shall declare their claims to the liquidation committee within 30 days from the date it receives the above notice or within 45 days from the date of announcement if no such notice is received

Creditors declaring creditors' rights shall state the relevant information of the creditors' rights and provide proof materials. The liquidation committee shall register the creditors' rights.

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

**Article 196** Upon sorting of the Company's assets and formulation of balance sheet and inventory list for assets, the liquidation committee shall formulate a liquidation plan and submit it to the shareholders' meeting or the people's court for confirmation.

After the Company's assets are used respectively for payment of liquidation expenses, employees' wages, social insurance premiums and statutory compensation, payment of tax in arrears and the Company's debts, they shall be distributed in proportion to the shareholding of the shareholders.

During the liquidation period, the Company shall subsist but shall not engage in business activities unrelated to liquidation. The Company's assets shall not be distributed to shareholders prior to making repayment pursuant to the provisions of the preceding paragraph.

**Article 197** Upon sorting of the Company's assets and formulation of balance sheet and inventory list of assets, where the liquidation committee is aware that the Company's assets are inadequate for repayment of debts, the liquidation committee shall apply to the people's court for declaration of insolvency.

After the People's Court accepts the application for bankruptcy, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

**Article 198** Upon completion of liquidation, the liquidation committee shall formulate a liquidation report and shall submit the same to the shareholders' meeting or the people's court for confirmation and submit to the company registration authorities and apply for deregistration and declare the termination of company.

**Article 199** Members of the liquidation committee shall perform their liquidation obligation and bear duties of loyalty and diligence.

Members of the liquidation committee shall bear the liability for damages suffered by the Company due to their negligence in performing the obligations of liquidation; where members of the liquidation committee who cause losses to creditors due to intentional or gross negligence shall be liable for compensation.

Upon completion of liquidation of the Company, the liquidation committee shall formulate a liquidation report and shall submit the same to the shareholders' meeting or the people's court for confirmation and submit to the company registration authorities and apply for deregistration.

**Article 200** If the Company has not incurred any debts during its existence, or has settled all its debts, it may, with the undertaking of all shareholders, deregister the Company through the simplified procedure in accordance with relevant regulations.

In case of deregistration through the simplified procedure, the Company shall publish a notice on the National Enterprise Credit Information Publicity System for a period of not less than 20 days. If there is no objection after the expiration of the publicity period, the Company may apply to the company registration authority for deregistration within twenty days.

In case of deregistration through the simplified procedure, shareholders who have made an untrue undertaking with respect to the contents of the first paragraph of this article shall be jointly and severally liable for the debts incurred prior to the deregistration.

**Article 201** Where the Company is declared insolvent in accordance with laws, it shall implement insolvency liquidation in accordance with the relevant laws relating to insolvency of an enterprise.

## **Chapter XI Amendments to Articles of Association**

**Article 202** The Company shall amend its articles of association in one of the following circumstances:

- (1) Subsequent to the amendment of the Company Law and relevant laws and administrative regulations, the Hong Kong Listing Rules and other securities regulatory rules of the places where the Company's shares are listed, the matters stipulated in the Articles of Association are in conflict with the provisions of the amended laws and administrative regulations;
- (2) The Company has experienced changes, resulting in matters inconsistent with those recorded in the Articles of Association; and
- (3) The shareholders' meeting decides to amend the Articles of Association.

**Article 203** Where the approval from the competent authority is required for the amendments to the Articles of Association resolved by the shareholders' meeting, such amendments shall be submitted to the competent authority for approval. Where an amendment to the Articles of Association involves the particulars of the Company's registration, changes shall be made to the registration pursuant to the law.

**Article 204** The board of directors shall amend the Articles of Association pursuant to the resolution of the shareholders' meeting on such amendment and the examination and approval opinion of the competent authority.

**Article 205** If any amendment to the Articles of Association involves matters required to be disclosed by laws and regulations, an announcement shall be made pursuant to the regulations.

## **Chapter XII Investor Relations Management**

**Article 206** The primary targets of investor relations management include:

- (1) Investor;
- (2) Institutions and individuals engaged in securities analysis, consulting and other securities services;
- (3) Media including financial media and industry media;
- (4) Other related individuals and institutions.

**Article 207** The main content of communication between the company and investors in investor relations management includes:

- (1) The Company's development strategy;
- (2) Operation and management information that the Company may disclose in accordance with the law, including production and operation status, financial position, research and development of new products or new technologies, business performance, dividend distribution, etc.;
- (3) Significant matters that may be disclosed by the Company in accordance with the law, including information on the Company's significant investments and changes therein, asset restructuring, mergers and acquisitions, external cooperation, external guarantees, significant contracts, related (connected) transactions, major litigation or arbitration, changes in the management, and changes in the major shareholders;
- (4) Statutory information disclosures and their explanations, including periodic reports and interim announcements, etc.;
- (5) Corporate culture and corporate image; and
- (6) Other information related to the Company that investors are concerned about.

**Article 208** The primary means of communication between the Company and investors include but are not limited to:

- (1) Announcements including regular reports and interim reports;
- (2) Shareholders' meeting;
- (3) Company website;
- (4) One-on-one communication;
- (5) Providing information by post;
- (6) Telephone consultation;
- (7) Advertising or other promotional materials;
- (8) Media interviews and reports;
- (9) On-site visit; and

(10) Roadshow.

The Company should communicate with investors in a timely, in-depth and extensive manner through various means as much as possible, and should pay special attention to using the internet to improve communication efficiency and reduce communication costs.

**Article 209** Responsibilities for investor relations management shall include:

(1) Information disclosure

- 1 To collect information related to the Company's production, operation and finance, and to disclose such information in a timely manner in accordance with the requirements of laws, regulations, Business Rules, the Hong Kong Listing Rules and other securities regulatory rules of the places where the Company's shares are listed, as well as the relevant provisions on the Company's information disclosure and investor relations management;
- 2 To prepare and release the Company's periodic reports (including annual reports, and semi-annual report); and
- 3 To prepare for the Company's annual shareholders' meeting, extraordinary shareholders' meeting, meetings of the board of directors, and prepare meeting materials.

(2) Analysis and research

- 1 To analyze the number, composition, and changes of investors;
- 2 To continuously pay attention to the opinions, suggestions, reports and other types of information from investors and the media, and to timely report to the board of directors and management of the Company; and
- 3 To analyze and research the policies and regulations of the regulatory authorities; to track, study and research the Company's development strategies, business conditions, industry dynamics and relevant regulations; to formulate and revise the regulations on information disclosure and investor relations management, and submit them to the relevant departments of the Company for approval and implementation.



(3) Communication and contact

- 1 To establish an investor relations management column on the Company's website for timely disclosure and update of the Company's information online and open an interactive investor communication section to answer investor inquiries; to hold analyst briefings and roadshow activities to accept inquiries from analysts, investors and the media; and
- 2 To receive investor visits and maintain regular contact with institutional investors and small and medium-sized investors, in order to stimulate investors' participation in the Company.

(4) Public relations

- 1 To establish and maintain good relationships with regulatory authorities, industry associations, the media, and other non-listed public companies and relevant institutions; and
- 2 To deal with emergencies and significant events: In the event of emergencies that may have a significant impact on the Company's share price, such as major litigation, major changes in the management, abnormal fluctuations in share trading, rumors related to the Company, punishments from regulatory authorities, natural disasters, accidents and major changes in the business environment, it is required to propose and implement effective solutions under the leadership of the relevant responsible persons in cooperation with relevant departments of the Company, and communicate and negotiate with investors through various means to actively maintain the Company's public image.

(5) Other efforts in favor of improving investor relations.

**Article 210** The primary person responsible for investor relations management is the chairman of the Company, and the relevant person in charge is the business head of the company's investor relations management. The office of the board of directors of the Company is the functional department for managing investor relations, responsible for the Company's investor relations affairs.

The Company's investor relations management must strictly comply with the requirements of relevant laws, regulations, departmental rules and Business Rules and must not release or disclose any undisclosed material information in any manner during investor relations activities.

If the Company discloses undisclosed material information during investor relations activities, it shall immediately issue an announcement through an information disclosure platform in compliance with the Securities Law and take other necessary measures.

**Article 211** Disputes between the Company and investors can be resolved through negotiation. It may be submitted to a professional securities and futures disputes mediation institution for mediation, applied with an arbitration institution for arbitration or filed in the people's court for litigation.

If the Company applies for the delisting of shares on the National Equities Exchange and Quotations, it shall fully consider the legitimate interests of shareholders and make reasonable arrangements for dissenting shareholders.

The Company shall establish investor protection mechanisms related to the delisting matters. In case where the Company voluntarily delists, the Company, controlling shareholders or de facto controllers shall formulate reasonable investor protection measures by way of providing cash options and repurchase arrangements, etc. to safeguard the interests of other shareholders. If the Company is forcibly delisted, it shall fulfill its information disclosure obligations in accordance with the laws from the date of receiving the notification from the National Equities Exchange and Quotations. The Company, controlling shareholders or de facto controllers shall proactively negotiate solutions with other shareholders.

### **Chapter XIII Supplementary Provisions**

#### **Article 212 Definitions**

- (1) A controlling shareholder refers to a shareholder holding shares representing more than 50% of the total share capital of the Company; a shareholder holding less than 50% of shares in the Company, but the voting rights vested by the shares held by him/her have a material effect on any resolutions made at a shareholders' meeting.
- (2) An de facto controller refers to a person who can effectively control the Company through investments, agreements or other arrangements.
- (3) "Related (connected) relationship" refers to the relationship of the controlling shareholders, de facto controllers, directors, supervisors and senior management officers of the Company with any other enterprise under their direct or indirect control, as well as other relationships that may lead to the transfer of the Company's interests according to the Hong Kong Listing Rules and other securities regulatory rules where the Company's shares are listed. However, enterprises controlled by the State do not have a related (connected) relationship with one another simply because they are under the control of the State.

(4) Transactions including the following:

1. Purchase or disposal of assets;
2. External investments (including entrusted financial management, investments in subsidiaries, etc.);
3. Provision of guarantees;
4. Provision of financial assistance;
5. Rent or lease of assets;
6. Entering into management contracts (including entrusting business operation, entrusted business operation, etc.);
7. Donating assets or receiving donated assets;
8. Creditor's rights or debt restructuring;
9. Transfer of research and development projects;
10. Entering into license agreements;
11. Waiver of rights; and
12. Other transactions recognized by the CSRC and the National Equities Exchange and Quotations.

The purchase or sale of assets mentioned above does not include transactions related to daily operations, such as the purchase of raw materials, fuel and power, and the sale of products or goods.

(5) The accounting firm refers to in the Articles of Association shall have the same meaning as “auditor”.

**Article 213** The board of directors may formulate by-laws in accordance with the provisions of the Articles of Association. Such by-laws shall not be in conflict with the Articles of Association.

**Article 214** Where the provisions of the Articles of Association are inconsistent with laws, regulations, rules, the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed, the provisions of laws, regulations, rules, the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed shall prevail.

**Article 215** The Articles of Association are written in Chinese. In case of any inconsistency between the Articles of Association and the articles of association in any other language or of different version, the latest Chinese version of the Articles of Association approved by and registered with the Shanghai Municipal Administration for Market Regulation shall prevail.

**Article 216** The terms “over”, “within” and “less”, as stated in the Articles of Association shall all include the given figure; the terms “short of”, “other than”, “lower than”, “more than” shall all exclude the given figure.

**Article 217** The board of directors of the Company shall be responsible for the interpretation of the Articles of Association.

**Article 218** Appendixes to the Articles of Association include the rules of procedure for shareholders’ meetings, the rules of procedure for meetings of the board of directors and the rules of procedure for meetings of the board of supervisors.

**Article 219** Upon consideration and approval by the shareholders’ meeting of the Company, the Articles of Association shall take effect from the date of listing of the H Shares of the Company on the Main Board of Hong Kong Stock Exchange. Since the effective date of the Articles of Association, the original articles of association of the Company will be lapsed automatically.