

**Shenzhen Edge Medical Co., Ltd.**

**ARTICLES OF ASSOCIATION**

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## CHAPTER I GENERAL PROVISIONS

**Article 1** 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"), the Securities Law of the People's Republic of China, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, the Guidelines for Articles of Association of Listed Companies, The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "HK Listing Rules"), and other applicable laws, regulations, departmental rules, normative documents and the relevant provisions of the securities regulatory authorities in the place where the Company's shares are listed, and in light of the actual circumstances of the Company, with a view to safeguarding the lawful rights and interests of Shenzhen Edge Medical Co., Ltd. (hereinafter referred to as the "Company"), its shareholders, employees and creditors, and regulating the organization and conduct of the Company.

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

The Company was established by way of a whole change of establishment by way of promotion on the basis of Shenzhen Jingfeng Medical Technology Co., Ltd.; it is registered with the Shenzhen Market Supervision Administration, holding a business license with the Unified Social Credit Code: 91440300MA5EH2LU6N.

**Article 3** The Company completed its filing with the China Securities Regulatory Commission (hereinafter referred to as the "CSRC") on [•], and obtained the approval of The Stock Exchange of Hong Kong Limited (hereinafter referred to as "Hong Kong Stock Exchange") on [•] for its initial offering of [•] ordinary shares in the form of overseas listed shares (hereinafter referred to as "H Shares") to overseas investors, with a par value of RMB1.00 per share, and were listed on the Main Board of Hong Kong Stock Exchange on [•].

**Article 4** Chinese registered name of the Company: 深圳市精鋒醫療科技股份有限公司, English name: Shenzhen Edge Medical Co., Ltd.

**Article 5** Address of the Company: 2B1901, Phase II, Smart Park, No. 76 Baohe Avenue, Baolong Community, Baolong Street, Longgang District, Shenzhen, Postal Code: 518100.

**Article 6** The registered capital of the Company is RMB[•] million.

**Article 7** The Company is a permanently existing joint stock limited company.

**Article 8** The Chairman of the Board is the legal representative of the Company.

If the Chairman of the Board resigns, it shall be 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.

The legal consequences of civil activities conducted by the legal representative in the name of the Company shall be borne by the Company.

Restrictions on the authority of the legal representative under the Articles of Association or resolutions of the General Meeting may not be asserted against a bona fide counterparty.

If the legal representative causes damage to others in the course of performing his/her duties, the Company shall bear civil liability. After the Company bears civil liability, it may, in accordance with the law or the provisions of the Articles of Association, seek recourse from the legal representative who was at fault.

**Article 9** The shareholders shall be liable to the Company to the extent of the shares they have subscribed for, and the Company shall be liable for its debts to the extent of all its assets.

**Article 10** Upon their effectiveness, the Articles of Association shall become legally binding documents regulating the organization and behavior of the Company, and the rights and obligations between the Company and its shareholders, and among the shareholders. They are legally binding on the Company, its shareholders, Directors, Supervisors and senior management members. In accordance with the Articles of Association, a shareholder may sue another shareholder; a shareholder may sue a Director, Supervisor, General Manager or other senior management members of the Company; a shareholder may sue the Company; and the Company may sue a shareholder, Director, Supervisor, General Manager or other senior management members.

**Article 11** Senior management members as mentioned in the Articles of Association refers to the General Manager, vice general manager, financial controller and secretary of the Board of Directors of the Company.

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

## CHAPTER II BUSINESS OBJECTIVES AND SCOPE

**Article 13** The Company's business objective is to empower doctors and benefit patients.

**Article 14** Pursuant to the business scope duly registered, the Company's business scope includes general business items such as economic information consulting and software development. (Agree with the registration authority to adjust and standardize the statement of business scope, subject to the registration of the registration authority). Licensed business items: import and export of electronic equipment, medical equipment and their accessories; R&D, production, sales, technical services and consulting services of intelligent equipment, electronic instruments, medical robots, catheter robots and mechatronics equipment; R&D, sales and production of Class I, Class II and Class III medical devices. (Agree with the registration authority to adjust and standardize the statement of business scope, subject to the registration of the registration authority).

General business items may be operated independently; licensed business items shall be operated with the relevant approval documents and permits.

## CHAPTER III SHARES

### Section 1 Issuance of Shares

**Article 15** The shares of the Company take the form of registered shares. In addition to those stipulated in the Company Law, the matters to be stated in the Company's shares shall also include other matters required by the stock exchange where the Company's shares are listed.

The overseas listed shares issued by the Company may take the form of overseas deposit certificates or other derivatives of shares in accordance with the laws of the place where the Company's shares are listed and the practice of securities registration and depository. Where the share capital of the Company includes shares that do not carry voting rights, the words "non-voting" must appear on the name of such shares. Where the share capital of the Company includes shares with weighted voting rights, the name of each class of shares, other than those with the most favorable voting rights, must include the words "restricted voting" or "limited voting".

**Article 16** The issuance of the Shares of the Company shall follow the principles of open, fairness and justice, and each share in the same class shall have the same rights.

For the same class of shares issued at the same time, each share shall be issued on the same conditions and at the same price. Any share subscribed by entity or individual shall pay the same price for each share.

Domestic unlisted shares and overseas listed shares issued by the Company are entitled to the same rights in any distribution in the form of dividends (including cash and distribution in specie) or any other form. The Company shall not exercise any power to freeze or otherwise impair any of the rights attaching to any share of such person by reason only that the person or persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.

**Article 17** All shares issued by the Company shall be shares with par value, denominated in Renminbi, with a par value of RMB1.00 per share.

**Article 18** Upon approval by and filing with the securities regulatory authority of the State Council and with the consent of the Hong Kong Stock Exchange, all or part of the domestic unlisted shares of the Company may be converted into overseas listed shares, and the converted overseas listed shares may be listed and traded on overseas stock exchanges. Listing and trading of the converted shares on overseas stock exchanges shall also comply with the regulatory procedures, rules and requirements of the overseas securities markets.

The conversion of domestic unlisted shares into overseas listed shares and their listing and trading on overseas stock exchanges is not subject to voting at a General Meeting.

**Article 19** The domestic unlisted shares issued by the Company shall be centrally deposited with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The overseas listed shares issued by the Company shall be held in custody mainly at the authorized depository company under the Hong Kong Securities Clearing Company Limited, and may also be held by the shareholders under their own names.

**Article 20** At the time of its establishment, the share capital of the Company was RMB11,097,081, and the total number of shares was 11,097,081, all of which were ordinary shares with a par value of RMB1.00 per share. At the establishment of the Company, the name of each promoter and its number of shares subscribed, shareholding percentage, method of capital contribution and time of capital contribution are as follows:

NO.	NAME OF PROMOTER	NUMBER OF SHARES SUBSCRIBED (SHARE)	SHAREHOLDING PERCENTAGE (%)	METHOD OF CAPITAL CONTRIBUTION	TIME OF CAPITAL CONTRIBUTION
1	Jingfeng (Hainan) Technology Partnership (Limited Partnership)	3,172,014	28.5842	shares converted from net assets	December 9, 2021
2	Hainan Jingfeng Huarui Technology Co., Ltd.	1,236,516	11.1428	shares converted from net assets	December 9, 2021
3	Xiehe Chuangfeng (Chengmai) Technology Partnership (Limited Partnership)	760,457	6.8528	shares converted from net assets	December 9, 2021
4	GUADALUPE PEAK LIMITED	601,754	5.4226	shares converted from net assets	December 9, 2021
5	Chengdu Mingsheng Investment Co., Ltd.	555,435	5.0052	shares converted from net assets	December 9, 2021
6	Guangfa Xinde Zhongheng Huijin (Longyan) Equity Investment Partnership (Limited Partnership)	519,085	4.6777	shares converted from net assets	December 9, 2021
7	Intelligent Spark Investment Pte. Ltd.	454,820	4.0986	shares converted from net assets	December 9, 2021
8	Nanjing Jianye Sanzheng Shunxin Equity Investment Partnership (Limited Partnership)	423,054	3.8123	shares converted from net assets	December 9, 2021
9	Xieli Chuangfeng (Shenzhen) Technology Partnership (Limited Partnership)	395,513	3.5641	shares converted from net assets	December 9, 2021
10	Robust Edge Investments Limited	269,495	2.4285	shares converted from net assets	December 9, 2021
11	Centroid Investments Limited	266,125	2.3982	shares converted from net assets	December 9, 2021
12	Hangzhou Licheng Qifu Equity Investment Partnership (Limited Partnership)	211,956	1.9100	shares converted from net assets	December 9, 2021
13	Shanghai Guoce Technology Manufacturing Equity Investment Fund Partnership (Limited Partnership)	196,070	1.7669	shares converted from net assets	December 9, 2021
14	Kangji Medical (Hong Kong) Limited	186,123	1.6772	shares converted from net assets	December 9, 2021
15	Shenzhen Zihui Future Investment Partnership (Limited Partnership)	174,700	1.5743	shares converted from net assets	December 9, 2021
16	Beijing Xinghao Venture Enterprise Management Center Partnership (Limited Partnership)	155,250	1.3990	shares converted from net assets	December 9, 2021
17	Khorgos Lianpan Frontier Venture Capital Co., Ltd.	155,250	1.3990	shares converted from net assets	December 9, 2021
18	SCC Growth VI Holdco AH, Ltd.	136,446	1.2296	shares converted from net assets	December 9, 2021

NO.	NAME OF PROMOTER	NUMBER OF SHARES SUBSCRIBED (SHARE)	SHAREHOLDING PERCENTAGE (%)	METHOD OF CAPITAL CONTRIBUTION	TIME OF CAPITAL CONTRIBUTION
19	Jiaxing Yusheng Venture Capital Partnership (Limited Partnership)	116,327	1.0483	shares converted from net assets	December 9, 2021
20	Jiaxing Suizi Matai Private Equity Investment Partnership (Limited Partnership)	76,302	0.6876	shares converted from net assets	December 9, 2021
21	Spark Plug Limited	75,803	0.6831	shares converted from net assets	December 9, 2021
22	Shanghai Lingang Lanwan Life and Science Fund I, L.P.	75,803	0.6831	shares converted from net assets	December 9, 2021
23	Yu Anding	69,708	0.6282	shares converted from net assets	December 9, 2021
24	China State-owned Enterprises Mixed Ownership Reform Fund Co., Ltd.	60,643	0.5465	shares converted from net assets	December 9, 2021
25	Vertex (Xiamen) Investment Partnership (Limited Partnership)	56,006	0.5047	shares converted from net assets	December 9, 2021
26	Beijing Yahui Jinlin Venture Capital Partnership (Limited Partnership)	54,415	0.4904	shares converted from net assets	December 9, 2021
27	Taijiashan Health Industry Equity Investment Fund (Shanghai) Partnership (Limited Partnership)	49,272	0.4440	shares converted from net assets	December 9, 2021
28	Shenzhen HongShan Hanchen Equity Investment Partnership (L.P.)	49,272	0.4440	shares converted from net assets	December 9, 2021
29	Zhuhai Lianqi Equity Investment Fund Partnership (Limited Partnership)	49,238	0.4437	shares converted from net assets	December 9, 2021
30	Hainan Yuanfeng Technology Partnership (Limited Partnership)	46,531	0.4193	shares converted from net assets	December 9, 2021
31	Hangzhou Yinkaixin Medical Technology Partnership (Limited Partnership)	46,531	0.4193	shares converted from net assets	December 9, 2021
32	CICC Pucheng Investment Co., Ltd.	46,531	0.4193	shares converted from net assets	December 9, 2021
33	Chengdu Boyuan Jiayu Venture Capital Partnership (Limited Partnership)	46,531	0.4193	shares converted from net assets	December 9, 2021
34	Wuxi FirstLight Growth Investment Fund LP	37,902	0.3415	shares converted from net assets	December 9, 2021
35	GBA FUND INVESTMENT LIMITED	37,902	0.3415	shares converted from net assets	December 9, 2021
36	Guangyuan Zhonghe (Zhuhai) Investment Partnership (Limited Partnership)	37,078	0.3341	shares converted from net assets	December 9, 2021
37	Hangzhou Aoying Investment Partnership (Limited Partnership)	27,233	0.2454	shares converted from net assets	December 9, 2021
38	Sage Partners Alpha 1 L.P.	22,741	0.2049	shares converted from net assets	December 9, 2021
39	Fan Xiaolin	22,741	0.2049	shares converted from net assets	December 9, 2021
40	Qingdao Yizhou Private Equity Investment Fund Partnership (Limited Partnership)	22,741	0.2049	shares converted from net assets	December 9, 2021

NO.	NAME OF PROMOTER	NUMBER OF SHARES SUBSCRIBED (SHARE)	SHAREHOLDING PERCENTAGE (%)	METHOD OF CAPITAL CONTRIBUTION	TIME OF CAPITAL CONTRIBUTION
41	Jiaxing Siqi Equity Investment Partnership (Limited Partnership)	19,709	0.1776	shares converted from net assets	December 9, 2021
42	ORBIMED GENESIS MASTER FUND, L.P.	18,951	0.1708	shares converted from net assets	December 9, 2021
43	ORBIMED NEW HORIZONS MASTER FUND, L.P.	18,951	0.1708	shares converted from net assets	December 9, 2021
44	Mirae Asset Global Investments (Hong Kong) Limited	15,161	0.1366	shares converted from net assets	December 9, 2021
45	Hangzhou Xiangshu Medical Technology Partnership (Limited Partnership)	15,161	0.1366	shares converted from net assets	December 9, 2021
46	Jiang Hao	11,834	0.1066	shares converted from net assets	December 9, 2021
<b>Total</b>		<b>11,097,081</b>	<b>100</b>	/	/

**Article 21** After the completion of the initial public offering of H shares, assuming that the over-allotment option is not exercised, the share capital structure of the Company shall be: [•] ordinary shares, comprising [•] domestic unlisted shares and [•] overseas listed shares; assuming that all over-allotment options are exercised, the share capital structure of the Company shall be: [•] ordinary shares, comprising [•] domestic unlisted shares and [•] overseas listed shares.

The total number of shares of the Company upon completion of the offering and listing of H Shares shall be [•] shares, all of which are ordinary shares.

**Article 22** The Company or its subsidiaries (including its affiliates) shall not give any financial assistance, in the form of grant, advance, guarantee or loans, for other persons to obtain the shares of the Company or its parent company, except for the implementation of the employee stock ownership plan of the Company.

For the interests of the Company, upon a resolution at the General Meeting or a resolution made by the Board pursuant to the Articles of Association or with the authorization of the General Meeting, the Company may provide financial assistance for others to acquire shares in the Company or its parent company, provided the cumulative total amount of such financial assistance shall not exceed 10% of the total issued share capital. Resolutions of the Board shall be passed by two-thirds or more of all the directors.

Where the provisions in the preceding two paragraphs are violated and losses are incurred by the Company as a result, the responsible Directors, Supervisors and senior management members shall be liable for compensation.

## Section 2 Increase and Reduction of Capital and Buyback of Shares

**Article 23** In light of the operational and developmental needs, the Company may increase its capital in accordance with the laws and regulations and subject to a resolution of the General Meeting, by any of the following methods:

- (I) issuing shares to non-specific objects;
- (II) issuing shares to specific objects;
- (III) placing or distributing new shares to existing shareholders;
- (IV) convert reserve funds into share capital;
- (V) other methods permitted by laws, administrative regulations, the CSRC, the securities regulatory authorities in the place where the Company's shares are listed and other relevant regulatory authorities.

**Article 24** The Company may reduce its registered capital. The reduction of registered capital of the Company shall be handled in accordance with the Company Law and other relevant regulations, the HK Listing Rules, other securities regulatory rules of the place where the Company's shares are listed and the procedures stipulated in the Articles of Association.

**Article 25** The Company shall not purchase its own shares, except under any of the following circumstances:

- (I) decreasing the registered capital of the Company;
- (II) merging with other companies holding shares of the Company;
- (III) to use shares for employee stock ownership plans or equity incentives;
- (IV) as required by shareholders objecting to resolutions of the General Meeting concerning merger or division of the Company to buy their shares;
- (V) to use the shares for conversion of corporate bonds which are convertible into shares issued by the Company;
- (VI) being necessary to maintain the value of the Company and the rights and interests of its shareholders;
- (VII) other circumstances permitted by laws, regulations, securities regulatory rules in the place where the Company's shares are listed and other applicable provisions.

The Company may purchase its shares in the manner of public centralized trading or other methods approved by laws, administrative regulations, the HK Listing Rules, other securities regulatory rules of the place where the Company's shares are listed and the CSRC (if required). The purchase by the Company of its own shares for circumstances provided in items (III), (V) and (VI) under the first paragraph of Article 25 of the Articles of Association shall be subject to the requirements of the HK Listing Rules and other securities regulatory rules of the place where the Company's shares are listed and shall be proceeded by public centralized trading.

**Article 26** Where the Company acquires its own Shares due to the circumstances specified in items (I) and (II) of paragraph 1 of Article 25 of the Articles of Association, such acquisition shall be resolved by the General Meeting. Where the Company acquires its own Shares under the circumstances set out in items (III), (V) and (VI) of paragraph 1 of Article 25 of the Articles of Association, such acquisition may be resolved by a meeting of the Board attended by more than two-thirds of the Directors in accordance with the provisions of the Articles of Association or the authorization of the General Meeting.

With respect to domestic unlisted shares, after the Company acquires its own Shares in accordance with the provisions of paragraph 1 of Article 25 of the Articles of Association, such Shares shall be cancelled within ten days from the date of acquisition in the case specified in item (I); shall be transferred or cancelled within six months in the cases set out in items (II) and (IV); and the total number of the Company's own Shares held by the Company shall not exceed 10% of the total number of the Company's issued Shares and such Shares shall be transferred or cancelled within three years in the cases stipulated in items (III), (V) and (VI).

Where laws, regulations and the relevant regulatory rules of the place where the Company's Shares are listed have other provisions on matters involving share repurchase, such provisions shall prevail; after the Company acquires its own Shares, it shall fulfill the information disclosure obligations in accordance with the provisions of laws, administrative regulations, rules, normative documents and the HK Listing Rules and other relevant requirements.

### Section 3 Transfer of Shares

**Article 27** The Shares of the Company shall be transferred in accordance with the law.

**Article 28** The Company shall not accept its own Shares as the subject matter of a pledge.

**Article 29** The Shares issued by the Company prior to its public offering of Shares shall not be transferred within one year from the date on which the Company's Shares are listed and traded on a stock exchange.

The Directors, Supervisors, and senior management members of the Company shall declare to the Company their holdings of the Company's Shares (including preferred shares, if any) and changes thereto; the number of Shares to be transferred each year, as determined upon their assumption of office, shall not exceed 25% of the total number of Shares of the same class of the Company held by them; and the Shares of the Company held by them shall not be transferred within one year from the date on which the Company's Shares are listed and traded on a stock exchange. Within six months after the aforementioned personnel resign from their positions, they shall not transfer the Shares of the Company held by them.

Where the HK Listing Rules or the relevant provisions of the securities regulatory authority of the place where the Company's Shares are listed have other provisions on the transfer restrictions of overseas listed shares, such provisions shall prevail. All transfers of H Shares shall be effected by means of a written transfer instrument in the general or ordinary form or any other form acceptable to the Board (including the standard transfer forms or transfer documents from time to time prescribed by Hong Kong Stock Exchange); and such transfer instrument may only be executed by hand or by affixing a valid company seal (if the transferor or transferee is a company). If the transferor or transferee is an authorized clearing house as defined in the relevant ordinances from time to time in force under the laws of Hong Kong or its agent, the transfer instrument may be executed by hand or in printed form. All transfer instruments shall be kept at the Company's registered address or such other address as the Board may from time to time designate.

**Article 30** Directors, Supervisors, senior management members of the Company, and Shareholders holding more than 5% of the Company's Shares who purchase the Company's stocks or other securities with equity nature and sell them within six months thereafter, or sell such securities and repurchase them within six months thereafter, shall have all profits derived therefrom belong to the Company, and the Board of the Company shall recover such profits. However, this provision shall not apply to securities companies that hold more than 5% of the Company's Shares by purchasing the remaining stocks after underwriting and distribution, as well as other circumstances specified by the China Securities Regulatory Commission and the securities regulatory authority of the place where the Company's stocks are listed.

The stocks or other securities with equity nature held by the Directors, Supervisors, senior management members, and natural person shareholders referred to in the preceding paragraph shall include those held by their spouses, parents, children, as well as those held through the accounts of other persons.

If the Board of the Company fails to act in accordance with the provisions of the paragraph 1 of this Article, the Shareholders shall have the right to require the Board to perform such obligation within thirty (30) days. If the Board fails to do so within the aforementioned time limit, the Shareholders shall have the right to institute legal proceedings directly with the people's courts in their own names for the benefit of the Company.

If the Board of the Company fails to act in accordance with the provisions of the paragraph 1 of this Article, the Directors who are held liable shall bear joint and several liabilities in accordance with the law.

## CHAPTER IV SHAREHOLDERS AND GENERAL MEETINGS

### Section 1 Shareholders

**Article 31** The Company shall establish a register of shareholders based on the documents provided by the securities registration and settlement institution, and such register of shareholders shall constitute conclusive evidence of Shareholders' ownership of the Company's Shares. Shareholders shall enjoy rights and assume obligations in accordance with the class and number of Shares they hold; Shareholders holding shares of the same class shall be entitled to equal rights and subject to the same obligations.

The Company shall establish a register of shareholders to record the following matters, or conduct shareholder registration in accordance with the provisions of laws, administrative regulations, departmental rules, and HK Listing Rules:

- (I) each Shareholder's name, address (domicile), occupation or nature;
- (II) the class and number of Shares held by each Shareholder;
- (III) the amount paid or payable for the Shares held by each Shareholder;
- (IV) the serial numbers of the Shares held by each Shareholder;
- (V) the date on which each Shareholder is registered as a Shareholder;
- (VI) the date on which each Shareholder ceases to be a Shareholder.

Subject to the Articles of Association and other applicable provisions, once the Company's Shares are transferred, the name of the transferee of such Shares shall be recorded in the register of shareholders as the holder of such Shares.

The Company shall maintain a complete register of shareholders, which includes the following parts:

- (I) the register of shareholders kept at the Company's registered office, excluding those specified in subparagraphs (II) and (III) of this paragraph;
- (II) the register of shareholders of the Company's overseas listed shares (i.e., the H Share register) kept at the place where the overseas stock exchange (on which the Company's Shares are listed) is located;
- (III) the register of shareholders kept at other places as determined by the Board in connection with the listing of the Company's Shares.

The respective parts of the register of shareholders shall not overlap with each other. The transfer of shares registered in a certain part of the register of shareholders shall not, during the continuance of the registration of such shares, be registered in any other part of the register of shareholders. Alteration or rectification of each part of the register of shareholders shall be carried out in accordance with the laws of the place where such part of the register of shareholders is maintained.

**Article 32** The transfer and assignment of Shares shall be registered in the register of shareholders. The original of H Share register (in respect of the H Shares listed in Hong Kong) shall be kept in Hong Kong.

The Company shall keep a duplicate of the H Share register at its registered office; the authorized overseas agent shall at all times ensure the consistency between the original and the duplicate of the H Share register. In case of any inconsistency between the records in the original and the duplicate of the H Share register, the original shall prevail. The register of shareholders kept in Hong Kong shall be available for inspection by Shareholders, provided that the Company may close its register of shareholders in accordance with the provisions equivalent to Section 622 of the Companies Ordinance.

Any shareholder registered in the register of shareholders or any person requesting to have his/her name registered in the register of shareholders may apply to the Company for the issuance of a new share certificate in respect of such shares (hereinafter referred to as the “Relevant Shares”) if his/her original share certificate (hereinafter referred to as the “Original Share Certificate”) is lost. Where a shareholder holding domestic unlisted shares loses their share certificate and applies for a replacement, such application shall be handled in accordance with the relevant provisions of the Company Law. Where a shareholder holding overseas listed shares loses their share certificate and applies for a replacement, such application may be handled in accordance with the laws of the place where the original register of overseas listed shares is kept, the rules of the relevant securities exchange, or other applicable provisions.

Where a shareholder holding overseas listed shares of a Hong Kong-listed company applies for a replacement due to the loss of their share certificate, the issuance of the replacement share certificate shall comply with the following requirements:

- (I) the applicant shall submit the application in the standard form designated by the Company, together with a notarial certificate or a statutory declaration. The content of the notarial certificate or statutory declaration shall include the reasons for the applicant’s application, the circumstances and evidence of the loss of the share certificate, as well as a declaration that no other person is entitled to claim registration as a shareholder in respect of the Relevant Shares;
- (II) prior to the Company’s decision to issue a replacement share certificate, the Company shall not have received any declaration from any person other than the applicant claiming registration as a shareholder in respect of the Relevant Shares;
- (III) where the Company decides to issue a replacement share certificate to the applicant, it shall publish an announcement regarding the proposed issuance of the replacement share certificate in a newspaper designated by the Board that complies with the relevant provisions; the announcement period shall be 90 days, with the announcement published at least once every 30 days;

- (IV) prior to publishing the announcement regarding the proposed issuance of a replacement share certificate, the Company shall submit a copy of the proposed announcement to the stock exchange where its shares are listed. Upon receiving a reply from the stock exchange confirming that the announcement has been displayed on the exchange, the Company may proceed with the publication. The period for which the announcement is displayed on the stock exchange shall be 90 days; if the application for the replacement share certificate has not obtained the consent of the registered shareholder(s) of the Relevant Shares, the Company shall mail a copy of the proposed announcement to such shareholder(s);
- (V) upon the expiration of the 90-day period for the announcement and display specified in subparagraphs (III) and (IV) of this paragraph, if the Company has not received any objection from any person to the issuance of the replacement share certificate, it may issue the new share certificate in accordance with the applicant's application;
- (VI) When the Company issues a replacement share certificate in accordance with the provisions of this Article, it shall immediately cancel the Original Share Certificate and record the matters of such cancellation and replacement in the register of shareholders;
- (VII) All costs incurred by the Company in connection with the cancellation of the Original Share Certificate and the issuance of the replacement share certificate shall be borne by the applicant. The Company shall have the right to refuse to take any action until the applicant provides reasonable security.

**Article 33** In respect of shareholders holding overseas listed shares, where two or more persons are registered as joint shareholders of any shares, they shall be deemed joint owners of the Relevant Shares and shall be subject to the following provisions:

- (I) the Company shall not register more than four persons as joint shareholders of any shares;
- (II) all joint shareholders of any shares shall be severally and jointly liable for all unpaid amounts due in respect of the Relevant Shares;
- (III) if one of the joint shareholders deceased, only the surviving joint shareholder(s) shall be deemed by the Company as the person(s) entitled to ownership of the Relevant Shares; provided that the Board shall have the right to require the surviving joint shareholder(s) to provide such proof of death as it deems appropriate for the purpose of amending the register of shareholders;

(IV) in respect of the joint shareholders of any shares, only the joint shareholder whose name ranks first in the register of shareholders shall be entitled to receive the share certificate(s) for the Relevant Shares or any notices from the Company, and any notice served on such person shall be deemed to have been served on all joint shareholders of the Relevant Shares; any one of the joint shareholders may sign a proxy form, provided that if more than one joint shareholder attends in person or by proxy, the vote cast by the joint shareholder with higher priority (whether in person or by proxy) shall be accepted as the sole vote representing the remaining joint shareholders. For this purpose, the priority of the shareholders shall be determined by the order of their names as listed in the Company's register of shareholders in relation to the Relevant Shares.

If any one of the joint shareholders issues a receipt to the Company in respect of any dividend, bonus, or capital distribution payable to such joint shareholders, such receipt shall be deemed a valid receipt issued to the Company by all such joint shareholders.

**Article 34** When the Company convenes a General Meeting, distributes dividends, conducts liquidation, or engages in any other acts requiring confirmation of shareholder identity, the Board or the convener of the General Meeting shall determine the record date for shareholdings. Shareholders registered in the register of shareholders after the close of trading on the record date shall be entitled to the relevant rights and interests.

**Article 35** The Shareholders of the Company shall be entitled to the following rights:

- (I) to receive dividends and other forms of profit distribution in proportion to the number of shares they hold;
- (II) to request the convening, convene, preside over, attend, or appoint a shareholder proxy to attend the General Meeting in accordance with the law, and exercise the corresponding right to speak and voting rights, save that they must abstain from voting on specific matters as required by the HK Listing Rules;
- (III) to supervise the Company's business operations, and put forward suggestions or inquiries;
- (IV) to transfer, gift, or pledge the shares they hold in accordance with the provisions of laws, administrative regulations, and the Articles of Association;
- (V) to inspect and copy the Articles of Association, the register of shareholders, the stubs of the Company's corporate bonds, the minutes of the General Meeting, the resolutions of the Board meeting, the resolutions of meetings of the Board of Supervisors, and the financial accounting reports; qualified Shareholders may inspect the Company's accounting books and accounting vouchers;
- (VI) to participate in the distribution of the Company's remaining assets in proportion to the number of Shares they hold when the Company is dissolved or liquidated;

- (VII) to request the Company to repurchase the Shares of Shareholders who dissent from the resolutions of the General Meeting regarding the Company's merger or division;
- (VIII) to inspect the Hong Kong branch of the Company's register of shareholders, provided that the Company may close its register of shareholders in accordance with the provisions equivalent to section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
- (IX) other rights as provided for by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's Shares are listed, or the Articles of Association.

**Article 36** Where a shareholder requests to inspect or copy the relevant information or obtain the materials mentioned in the preceding article, such shareholder shall comply with the provisions of applicable administrative regulations, departmental rules, the listing rules of the place where the Company's Shares are listed, and other relevant laws and administrative regulations, and provide the Company with a written document proving the class and number of Shares they hold in the Company. After verifying the Shareholder's identity, the Company shall provide the requested information or materials in accordance with the Shareholder's request.

**Article 37** If the content of the resolutions of the Company's General Meeting or the Board violates laws or administrative regulations, the Shareholders shall have the right to request a people's court to declare such resolutions invalid.

If the procedure for convening a meeting or the voting method of the Company's General Meeting or the Board violates laws, administrative regulations, or the Articles of Association, or if the content of the resolution violates the Articles of Association, the Shareholders shall have the right to request a people's court to revoke such resolution within sixty days from the date on which the resolution is adopted. Provided that this shall not apply if there are only minor defects in the procedure for convening the meeting or the voting method of the General Meeting or the Board that do not have a material impact on the resolution.

Where there is a dispute among the Board, Shareholders, or other relevant parties regarding the validity of the resolution of the General Meeting, the relevant parties shall promptly institute legal proceedings with a people's court. Prior to the people's court rendering a judgment or ruling such as revoking the resolution, the relevant parties shall implement the resolutions of the General Meeting. The Company, Directors, and senior management members shall faithfully perform their duties to ensure the normal operation of the Company.

Where a people's court renders a judgment or ruling on the relevant matters, the Company shall perform its information disclosure obligations in accordance with the provisions of laws, administrative regulations, and the securities regulatory rules of the place where the Company's Shares are listed, fully explain the impacts, and actively cooperate with the enforcement after the judgment or ruling becomes effective. If the matter involves the correction of prior-period items, the Company shall promptly handle such correction and perform the corresponding information disclosure obligations.

The resolutions of the Company's General Meeting or the Board shall not be valid if one of the following circumstances exists:

- (I) the resolution is adopted without convening the General Meeting or the Board meeting;
- (II) no vote is cast on the matters of the resolution at the General Meeting or the Board meeting;
- (III) the number of attendees or the number of voting rights held by them fails to meet the quorum or the voting right threshold required by the Company Law or the Articles of Association;
- (IV) the number of attendees who approve the resolution matter or the voting rights held by such attendees fails to meet the required number of approvals or the voting right threshold stipulated by the Company Law or the Articles of Association.

A Shareholder who has not been notified to attend the General Meeting may request a people's court to revoke the resolution of the General Meeting within sixty days from the date on which they know or ought to know the adoption of the resolution; if the right of revocation is not exercised within one year from the date on which the resolution is adopted, such right of revocation shall be extinguished.

**Article 38** Where a Director or senior management member violates the provisions of laws, administrative regulations, or the Articles of Association when performing their duties for the Company and causes losses to the Company, Shareholders who individually or collectively hold 1% or more of the Company's Shares for a consecutive period of 180 days or more shall have the right to submit a written request to the Board of Supervisors to institute legal proceedings against such person with a people's court; where the Board of Supervisors violates the provisions of laws, administrative regulations, or the Articles of Association when performing its duties for the Company and causes losses to the Company, the aforementioned Shareholders may submit a written request to the Board to institute legal proceedings against such body with a people's court.

Where the Board of Supervisors or the Board refuses to institute legal proceedings after receiving the written request from the Shareholders specified in the preceding paragraph, or fails to institute legal proceedings within thirty days from the date of receiving the request, or where the circumstances are urgent and failing to institute legal proceedings immediately will cause irreparable harm to the Company's interests, the Shareholders specified in the preceding paragraph shall have the right to directly institute legal proceedings in their own name with a people's court for the benefit of the Company.

Where a third party infringes upon the Company's legitimate rights and interests and causes losses to the Company, the Shareholders specified in the first paragraph of this Article may institute legal proceedings with a people's court in accordance with the provisions of the preceding two paragraphs.

Where a Director, Supervisor, or senior management member of the Company's wholly-owned subsidiary violates the provisions of laws, administrative regulations, or the Articles of Association when performing their duties and causes losses to the Company, or where a third party infringes upon the legitimate rights and interests of the Company's wholly-owned subsidiary and causes losses thereto, Shareholders who individually or collectively hold 1% or more of the Company's Shares for a consecutive period of 180 days or more may, in accordance with the provisions of the first three paragraphs of Article 189 of the Company Law, submit a written request to the Board of Supervisors or the Board of the wholly-owned subsidiary to institute legal proceedings with a people's court, or directly institute legal proceedings in their own name with a people's court.

**Article 39** In the event of a Director, senior management member violates laws, administrative regulations or the Articles of Association, thereby damaging the interests of the Shareholder(s), the Shareholder(s) may file an action with the people's court.

**Article 40** The obligations of the Shareholders of the Company are as follows:

- (I) to abide by laws, administrative regulations, departmental rules, regulatory rules where the Company's shares are listed, or the Articles of Association;
- (II) to provide Share capital according to the Shares subscribed for and Share participation methods;
- (III) not to withdraw their share capital except under circumstances stipulated by laws and regulations;
- (IV) not to abuse Shareholders' rights to infringe upon the lawful interests of the Company or other Shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of Shareholders to damage the lawful interests of the Company's creditors;
- (V) to perform other duties prescribed in laws, administrative regulations, regulatory rules where the Company's shares are listed, and the Articles of Association.

Any Shareholder who abuses Shareholders' rights and causes the Company or other Shareholders to suffer a loss shall be liable for making compensation in accordance with the law. Any Shareholder who abuses the status of the Company as an independent legal entity or the limited liability of Shareholders to evade debts and seriously damages the interests of the Company's creditors shall assume joint and several liabilities for the Company's debts.

**Article 41** Shareholders holding 5% or more of the Company's voting shares shall submit a written report to the Company on the date of the occurrence of such fact if they pledge the shares they hold.

**Article 42** The controlling Shareholders and de facto controllers of the Company shall not use their connected relationship to damage the Company's interests. Any violation of this provision which causes losses to the Company shall be liable for compensation.

The controlling Shareholders and de facto controllers of the Company shall owe a duty of good faith to the Company and other Shareholders of the Company. The controlling Shareholders shall strictly exercise the rights of an investor in accordance with the law, and shall not damage the legitimate rights and interests of the Company and other Shareholders of the Company through such means as profit distribution, asset reorganization, external investments, fund misappropriation, loan guarantees, connected transactions, etc., nor shall they abuse their controlling position to harm the interests of the Company and other Shareholders of the Company.

## Section 2 General Provisions for the General Meeting

**Article 43** The General Meeting of the Company shall be composed of all shareholders. The General Meeting is the Company's authority organ, which shall exercise the following functions and powers in accordance with the law:

- (I) to elect and replace Directors and Supervisors not serving as representatives of the employees, and to decide on matters concerning the remuneration of such Directors and Supervisors;
- (II) to review and approve the report of the Board;
- (III) to review and approve the report of the Board of Supervisors;
- (IV) to review and approve the Company's profit distribution plans and plans for making up losses;
- (V) to adopt resolutions on increases or decreases in the registered capital of the Company;
- (VI) to adopt resolutions on plans for the issuance of corporate bonds or other securities and their listing;
- (VII) to adopt resolutions on the merger, division, dissolution, liquidation of the Company or change in the corporate form of the Company;
- (VIII) to amend the Articles of Association;
- (IX) to adopt resolutions on the appointment, dismissal or non-renewal of the accounting firm engaged for the Company's audit business and on the determination of its remuneration;
- (X) to review and approve external guarantee matters that require approval by the General Meeting as stipulated in the Articles of Association;

- (XI) to review matters where the Company's purchase or sale of significant assets within one year exceeds thirty percent of the Company's latest audited total assets;
- (XII) to review and approve major transactions and connected transactions that shall be reviewed and approved by the General Meeting as stipulated by laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed and the Articles of Association;
- (XIII) to review equity incentive plans and employee share ownership plans;
- (XIV) to review proposals submitted by shareholders who individually or jointly hold one percent or more of the Company's voting shares;
- (XV) to review and approve matters concerning changes in the use of proceeds from fundraising;
- (XVI) to review and approve other matters that shall be approved or decided by the General Meeting as stipulated by laws, administrative regulations, departmental rules, the HK Listing Rules, other securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The General Meeting may authorize the Board to adopt resolutions on the issuance of corporate bonds.

**Article 44** The following acts of external guarantee of the Company shall be reviewed and approved by the General Meeting (excluding cases where the Company accepts guarantees or provides guarantees to its controlled subsidiaries):

- (I) Any guarantee provided after the total amount of external guarantees of the Company and its controlled subsidiaries reaches or exceeds 50% of the Company's latest audited net assets;
- (II) Any guarantee provided after the total amount of external guarantees of the Company reaches or exceeds 30% of the latest audited total assets;
- (III) Guarantees where the total amount of guarantees provided by the Company to others within one year exceeds 30% of the Company's latest audited total assets;
- (IV) Guarantees provided to party with an asset-liability ratio exceeding 70%;
- (V) Guarantees where the single guarantee amount exceeds 10% of the Company's latest audited net assets;
- (VI) Guarantees provided to Shareholders, de facto controllers and their related parties;

(VII) Other circumstances of external guarantees that require the review and approval of the General Meeting as stipulated by laws, regulations, normative documents, the HK Listing Rules, other securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

For the aforementioned external guarantee matters subject to the approval of the General Meeting, they shall be submitted to the General Meeting for approval only after being reviewed and approved by the Board.

The Board is authorized to review and approve external guarantee matters other than those requiring the approval of the General Meeting as mentioned above.

When the General Meeting deliberates on a proposal to provide guarantees to a Shareholder, de facto controller or their related parties, such Shareholder or the Shareholder controlled by such de facto controller shall abstain from voting on such proposal. The proposal shall be adopted by a simple majority of the voting rights held by other shareholders attending the General Meeting.

**Article 45** The General Meeting is divided into the Annual General Meeting and the Extraordinary General Meeting. The annual General Meeting shall be convened once a year and shall be held within six months after the end of the previous fiscal year.

**Article 46** Under any of the following circumstances, the Company shall convene an Extraordinary General Meeting within two months from the date on which such fact occurs:

- (I) When the number of Directors is less than the minimum number specified in the Company Law or less than two-thirds of the number stipulated in the Articles of Association;
- (II) When the Company's uncovered losses amount to one-third of its total share capital;
- (III) When shareholders who individually or jointly hold 10% or more of the Company's outstanding voting shares request in writing to convene an Extraordinary General Meeting (the shareholding ratio shall be calculated as of the date on which the shareholders submit the written request);
- (IV) When the Board deems it necessary;
- (V) When the Board of Supervisors proposes to convene such a meeting;
- (VI) Any other circumstances stipulated in laws, administrative regulations, departmental rules, the HK Listing Rules and other securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

**Article 47** The venue for the Company to convene a General Meeting shall be the Company's domicile or the place clearly specified in the notice of the General Meeting.

A venue shall be set up for the General Meeting, and the meeting shall be convened in the form of an on-site meeting. The Company shall also, in accordance with the provisions of laws, regulations or the Articles of Association, provide online, video, telephone or other means to facilitate shareholders' participation in the General Meeting. Shareholders who participate in the General Meeting through the aforesaid means shall be deemed to have attended the meeting.

The selection of the time, venue and mode of the on-site meeting shall be convenient for shareholders to attend. After the notice of the General Meeting is issued, the venue for the on-site General Meeting shall not be changed without justifiable reasons. If a change is indeed necessary, the convener shall notify all shareholders and explain the reasons at least two working days before the convening date of the on-site meeting.

**Article 48** If laws, administrative regulations, departmental rules, the HK Listing Rules and other securities regulatory rules of the place where the Company's shares are listed expressly require the Company to engage legal counsel to witness and issue a legal opinion when convening the General Meeting, the Company shall, when convening the General Meeting, engage legal counsel to issue a legal opinion on the following matters and make an announcement thereof:

- (I) Whether the convening and holding procedures of the meeting comply with the provisions of laws, administrative regulations and the Articles of Association;
- (II) Whether the qualifications of the attendees and the qualification of the convener are legally valid;
- (III) Whether the voting procedures and voting results of the meeting are legally valid;
- (IV) The legal opinion issued on other relevant matters at the request of the Company.

### **Section 3 Convening of the General Meeting**

**Article 49** The Board shall convene the General Meeting on time within the prescribed time limit.

With the consent of more than half of all independent non-executive Directors, the independent non-executive Directors shall have the right to propose to the Board to convene an extraordinary General Meeting. Regarding the proposal of the independent non-executive Directors to request the convening of an extraordinary General Meeting, the Board shall, in accordance with the provisions of laws, administrative regulations, the HK Listing Rules and the Articles of Association, provide a written feedback stating its consent or refusal to convene the extraordinary General Meeting within ten days after receiving the written proposal.

If the Board consents to convene the extraordinary General Meeting, it shall issue the notice of convening the General Meeting within five days after adopting the Board resolution; if the Board refuses to convene the extraordinary General Meeting, it shall explain the reasons and make an announcement.

**Article 50** The Board of Supervisors shall have the right to propose to the Board to convene an extraordinary General Meeting and shall submit such proposal to the Board in writing. The Board shall, in accordance with the provisions of laws, administrative regulations, the HK Listing Rules and the Articles of Association, provide written feedback stating its consent or refusal to convene the extraordinary General Meeting within ten days after receiving the written proposal.

If the Board consents to convene the extraordinary General Meeting, it shall issue the notice of convening the General Meeting within five days after adopting the Board resolution; any change to the original proposal in the notice shall obtain the consent of the Board of Supervisors.

If the Board refuses to convene the extraordinary General Meeting or fails to provide feedback within ten days after receiving the written proposal, it shall be deemed that the Board is unable to perform or fails to perform its duty of convening the General Meeting, and the Board of Supervisors may convene and preside over the meeting on its own.

**Article 51** Shareholders that hold, individually or collectively, 10% or more of the shares in the Company shall have the right to request in writing the Board to convene an extraordinary General Meeting. The Board shall, in accordance with relevant laws, administrative regulations, the HK Listing Rules, other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, give a written response on whether or not it agrees to convene such an extraordinary General Meeting within 10 days after receiving the proposal from the abovementioned shareholders to call such meeting. If the Board agrees to convene the extraordinary General Meeting, a notice of such meeting shall be issued within five days after the resolution of the Board is passed. Any change made to the original request in the notice shall be approved by the relevant shareholders.

If the Board does not agree to convene the extraordinary General Meeting, or fails to make a response within 10 days upon receipt of the request, the shareholder(s) individually or collectively holding 10% or more of the shares of the Company shall have the right to propose to the Board of Supervisors to convene the extraordinary General Meeting. Such request shall be made to the Board of Supervisors in writing.

If the Board of Supervisors agrees to convene the extraordinary General Meeting, a notice of such meeting shall be issued within five days upon receipt of the request. Any change made to the original request in the notice shall be approved by the relevant shareholders.

If the Board of Supervisors fails to issue the notice calling such a meeting within the period specified hereinabove, it shall be deemed to have failed to convene and preside over such meeting. The shareholders that hold, individually or collectively, 10% of the shares in the Company for 90 consecutive days or longer period may convene and preside over such meeting.

**Article 52** The Board of Supervisors or the shareholders that decide to hold the General Meeting by itself or themselves must notify the Board thereof in writing.

Prior to the announcement of the resolution of the General Meeting, the shareholding ratio of the convening shareholders shall not be less than 10% (on the basis of one share, one vote).

**Article 53** For the General Meetings convened by the Board of Supervisors or the shareholders, the Board and the board secretary shall coordinate accordingly. The Board will provide the register of shareholders as of the record date. The register of shareholders provided to the convener shall not be used for purposes other than convening the General Meeting.

**Article 54** All necessary expenses incurred by the Board of Supervisors or the shareholders to convene the General Meeting shall be assumed by the Company.

#### **Section 4 Proposals and Notices of General Meetings**

**Article 55** The contents of a proposal shall be within the scope of the duties and powers of the General Meeting, have a clear agenda and specific matters for resolutions, as well as be in compliance with laws, administrative regulations, the HK Listing Rules, other securities regulatory rules of the place where the Company's shares are listed and the relevant requirements set forth in the Articles of Association.

**Article 56** The Board, the Board of Supervisors and shareholders that hold, individually or collectively, 1% or more of the shares in the Company shall have the right to make proposals to the Company at the General Meeting.

Shareholders that hold, individually or collectively, 1% or more of the shares in the Company may submit a temporary proposal and deliver it in writing to the Board ten days before the convening of the General Meeting. The temporary proposal shall contain a clear agenda and specific matters for resolution. The Board shall notify other shareholders within two days after receiving the proposal and submit the temporary proposal to the General Meeting for consideration; provided that this shall not apply if the temporary proposal violates the provisions of laws, administrative regulations or the Articles of Association, or falls outside the scope of the General Meeting's authority. The Company shall not raise the shareholding ratio requirement for shareholders submitting temporary proposals. Except as provided by the preceding paragraph, the convener of the General Meeting shall not amend the proposals already specified in the notice of the General Meeting or add new proposals subsequent to the issuance of the notice of the General Meeting.

Any proposal that is not stated on the notice of the General Meeting or that is incompliant with the Articles of Association will not be considered or approved by the General Meeting.

**Article 57** The convener shall inform each shareholder the annual General Meeting by way of announcement 21 days before the meeting, and shall inform each shareholder the extraordinary General Meeting by way of announcement 15 days before the meeting. The notice of the General Meeting shall be sent to the Shareholders in a manner that complies with the HK Listing Rules.

The aforesaid “21 days” or “15 days” counted by the Company shall not include the day on which the meeting is convened, but shall include the day on which the notice is issued.

**Article 58** The notice of the General Meeting shall be made in writing, including the following contents:

- (I) specifying the date, venue and duration of the meeting;
- (II) matters and proposals to be considered at the meeting;
- (III) an express statement that: a shareholder is entitled to attend the General Meeting, and to appoint proxy(ies) to attend and vote on his/her behalf at the meeting, and that a proxy need not be a shareholder of the Company;
- (IV) the record date of the shareholder entitled to attend the General Meeting;
- (V) the name and telephone number of the standing contact person for the affairs of the meeting;
- (VI) the voting time and voting procedure conducted online or through other means (if any).
- (VII) other circumstances stipulated under the laws, administrative regulations, departmental rules, the HK Listing Rules, other securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association.

The notice and supplementary notice of the General Meeting shall include the contents stipulated by the HK Listing Rules and the Articles of Association, and shall fully, completely and accurately disclose and explain all specific contents of all proposals. If the matters to be discussed require the opinions of the independent non-executive Directors, the opinions of the independent non-executive Directors and the reasons therefor shall be disclosed at the same time when the notice of General Meeting or its supplementary notice is issued. The commencing time of voting online or through other means (if any) of any General Meeting shall not be earlier than 3:00 p.m. on the date preceding the convening of on-site General Meeting and shall not be later than 9:30 a.m. on the convening date of on-site General Meeting. Its conclusion time shall not be earlier than 3:00 p.m. on the conclusion date of on-site General Meeting.

The interval between the record date and the meeting date shall be no more than 7 working days. Once the record date is confirmed, it cannot be changed.

**Article 59** If the elections of Directors and Supervisors are intended to be discussed at the General Meeting, the notice of the meeting shall fully disclose the details of the candidates for Directors and Supervisors, and shall at least include the following particulars:

- (I) personal information, such as education background, work experiences and any part-time work undertaken;
- (II) whether there is any connected relationship with the Company or its controlling shareholder or de facto controller of the Company;
- (III) disclosure of their shareholding in the Company;
- (IV) whether or not the candidate has been subject to penalties by the CSRC or other relevant authorities as well as sanctions by any stock exchange;

Except for the election of Directors and Supervisors by cumulative voting mechanism, the nomination proposal on each candidate for Director or Supervisor shall submit by way of separate resolution.

**Article 60** After the notice on convening the General Meeting sent out, the General Meeting shall not be postponed or cancelled and the proposal listed in the notice of General Meeting shall not be cancelled without justifiable causes. In the case of any circumstance for postponement or cancellation of the General Meeting, the convener shall make an announcement and explain the reasons at least two business days before the date for the planned General Meeting.

## **Section 5 Holdings of General Meetings**

**Article 61** The Board and other conveners shall take necessary measures to ensure the normal order of the General Meeting. They shall take measures to prevent any interference with the General Meeting, disturbance and violation of the legitimate rights and interests of shareholders and promptly report the same to the relevant departments for investigation.

**Article 62** Any shareholders registered on the register of shareholders on the record date or their proxy(ies) shall be entitled to attend the General Meeting, speak at the General Meeting and exercise their voting rights in accordance with relevant laws, regulations, departmental rules, the HK Listing Rules and the Articles of Association unless the individual shareholders are required to abstain from voting on individual matters in accordance with the HK Listing Rules.

Any shareholder entitled to attend and vote at the General Meeting shall be entitled to attend the General Meeting in person, or appoint one person (who may not be a shareholder) as their shareholder proxy to attend and vote on their behalf. The shareholder proxy is not required to cast all votes in the same manner.

If the shareholder has appointed a representative to attend any meeting, he/she is deemed to be present in person. A proxy so appointed shall be entitled to exercise the following rights pursuant to the authorization from that shareholder:

- (I) the right of the shareholder to speak at the General Meeting;
- (II) the right to demand or join in demanding a poll;
- (III) the right to vote by show of hands or on a poll, unless otherwise required by the relevant laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed or other securities laws and regulations.

**Article 63** An individual shareholder who attends the meeting in person shall produce his/her own identity card or other valid documents or proof evidencing his/her identity. If he/she appoints a proxy to attend the meeting on his/her behalf, such proxy shall produce his/her own valid identity documents and the power of attorney from the shareholder.

Legal person shareholders or other institutional shareholders shall be represented at the meeting by their legal representatives (persons in charge)/executive partners or proxies appointed by the legal representatives (persons in charge)/executive partners. In the case of attendance by legal representatives (persons in charge)/executive partners, they shall present their identity cards, valid proof of their capacities as legal representatives (persons in charge)/executive partners; in the case of attendance by proxies, they shall present their identity cards and written authorization letters legally issued by such legal representatives (persons in charge)/executive partners of the legal person shareholders or institutional shareholders.

If the shareholder is a recognized clearing house (or its proxies) as defined in the relevant ordinances enacted in Hong Kong from time to time, such shareholder may authorize his corporate representative or such person(s) he/she deems appropriate to attend at any General Meeting as his/her representative; however, if more than one person is authorized, the power of attorney or letter of authority should specify the number and class of shares for which each such person is authorized, and the power of attorney should be signed by an authorized officer of a recognized clearing house. A person so authorized may attend meetings on behalf of the recognized clearing house (or by its proxy) (without the need to produce a certificate of shareholding, notarized power of attorney and/or further evidence of formal authorization) and may exercise the same statutory rights as other shareholders, including the rights to speak and vote, as if that person was an individual shareholder of the Company.

**Article 64** The power of attorney issued by the shareholder authorizing his/her proxy to attend the General Meeting should contain the following:

- (I) name of the appointer, the class and number of shares of the Company held by him/her;
- (II) name of the proxy;
- (III) matters to be entrusted and scope of authorization, including whether he/she is entitled to voting rights;

- (IV) specific instructions given by the shareholder, including respective instructions on affirmative, negative or abstention voting on each issue listed in the meeting agenda;
- (V) the date of issue and validity period of the power of attorney;
- (VI) the signature (or seal) of the appointer. In the case of a corporate/other institutional shareholder, the seal of the corporate/other institution shall be affixed or the signature shall be executed by its director or duly authorized proxy or officer.

**Article 65** The power of attorney should indicate whether the proxy of the shareholder can vote according to his/her own will if the shareholder does not give specific instructions.

**Article 66** The power of attorney must be kept at the Company's domicile or other location designated in the notice convening the meeting no later than 24 hours before the meeting at which the power of attorney is put to vote is convened or 24 hours before the designated time. Where the proxy form is signed by a person authorized by the appointer, the written power of attorney or other authorization documents authorizing such person to sign the same shall be notarized. The notarized power of attorney or other authorization documents and the proxy form shall be kept at the Company's domicile or at such other place as specified in the notice convening the meeting.

**Article 67** The register of attendees of the meeting shall be prepared by the Company. Such register shall specify information such as the name of the persons (or entities) attending the meeting, identity card number, number of shares or voting shares held, name of the persons (or entities) the proxy represents.

**Article 68** The convener and the lawyer engaged by the Company, if any, will jointly verify the qualification of shareholders with the register of shareholders provided by the securities depository and clearing authority, and shall register the name of the shareholders as well as the number of their voting shares. Such registration shall be ceased prior to the announcement by the chairman of the meeting of the number of shareholders and their proxies present at the meeting and the total number of their respective voting shares.

**Article 69** Where directors, supervisors and senior management members are required to be present at General Meeting, such directors, supervisors and senior management members shall be present at the meeting and answer the queries from shareholders.

**Article 70** The General Meeting shall be presided over by the Chairman of the Board. Where the Chairman of the Board is unable or fails to perform his/her duties, a director shall be jointly elected by more than half of the directors to preside over the meeting.

If the Board of Supervisors convenes the General Meeting by themselves, the Chairman of the Board of Supervisors shall preside over the meeting. If the Chairman of the Board of Supervisors is unable or fails to perform his/her duties, more than half of the supervisors shall nominate a supervisor to preside over the meeting.

If a General Meeting is convened by the shareholders themselves, the convener or a representative nominated by the convener to preside over the meeting.

When a General Meeting is convened, if the chairman of the meeting contravenes the rules of procedures for General Meetings, rendering the meeting impossible to proceed, with the consent from half or more of the attending shareholders with voting rights, one person may be nominated at the General Meeting to serve as the chairman and the meeting may proceed.

**Article 71** The Company shall formulate the rules of procedures of the General Meeting to specify in details the convening and voting procedures of the General Meeting, including notice, registration, deliberation of proposal, votes, vote counting, announcement of voting results, formation of resolutions, minutes and the signatures thereon, as well as the principles of authorization by the General Meeting to the Board, the contents of such authorization shall be expressly specified. The rules of procedures of the General Meeting shall be appended to the Articles of Association and shall be formulated by the Board and approved at the General Meeting.

**Article 72** At the annual general meeting, the Board and the Board of Supervisors shall report their work for the past year to the General Meeting. Each independent non-executive Directors shall also present a work report.

**Article 73** Directors, supervisors and senior management members shall answer and explain inquiries and proposals made by shareholders at the General Meeting.

**Article 74** The meeting host shall, before voting, announce the number of shareholders and their proxies attending the meeting as well as the total number of shares with voting rights they hold. The number of shareholders and their proxies attending the meeting, as well as the total number of shares with voting rights they hold, shall be based on those registered at the meeting.

**Article 75** The General Meeting shall have minutes prepared by the board secretary.

The minutes shall contain:

- (I) time, venue, agenda of the meeting, and the name of the convener;
- (II) names of the meeting host, directors, supervisors, general managers and other senior management members present at the meeting;
- (III) the number of shareholders and proxies attending the meeting, the total number of shares with voting rights they hold, and the proportion of such shares to the total number of Company's shares;
- (IV) the review, main points of address and voting results of each proposal;
- (V) shareholders' inquiries or suggestions and the corresponding replies or explanations, if any;
- (VI) names of lawyers (if any), vote counters and scrutineers;
- (VII) other details specified by the Articles of Association to be included in the minutes.

**Article 76** The convener shall ensure the truthfulness, accuracy and completeness of the minutes of the meeting. The directors, supervisors, board secretary, the convener or their representative, and the chairman of the meeting present at the meeting shall sign the minutes of the meeting. The minutes of the meeting shall be kept together with the signature register of the shareholders present in person and the proxy forms for their attendance by proxy, as well as the valid materials on the voting results via internet or other means, for a period of not less than ten years.

**Article 77** The convener shall ensure that the General Meeting shall be held continuously until a final resolution is reached. If the General Meeting is suspended or a resolution cannot be passed due to special reasons such as force majeure, necessary measures shall be taken to resume the convening of the General Meeting as soon as possible or the current general meeting shall be directly terminated, and an explanation or announcement shall be made in a timely manner.

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

**Article 78** Resolutions at the General Meeting consist of ordinary resolutions and special resolutions.

An ordinary resolution of the General Meeting shall be passed by an absolute majority of the voting rights represented by shareholders (including shareholder proxies) attending the General Meeting.

Any special resolution of the General Meeting shall be passed by two-thirds or more of the voting rights represented by shareholders (including shareholder proxies) attending the General Meeting.

**Article 79** The following shall be passed by an ordinary resolution of the General Meeting:

- (I) work reports of the Board and the Board of Supervisors;
- (II) plans drafted by the Board to distribute profits and cover losses;
- (III) appointment and dismissal of members of the Board and the Board of Supervisors, as well as the remuneration of and payments to such members;
- (IV) engagement, termination or non-renewal of the accounting firm and its remuneration;
- (V) the annual report of the Company;
- (VI) any matters other than those that are required to be decided by special resolutions under the law, administrative regulations, the HK Listing Rules and other securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

**Article 80** The following shall be passed by a special resolution of the General Meeting:

- (I) any increase or reduction in the registered capital of the Company;
- (II) the division, merger, deregistration, takeover, dissolution, liquidation or change in corporate form of the Company;
- (III) any amendment to the Articles of Association;
- (IV) any purchase or sale of major assets or any provision of guarantee to other persons within one year for an amount exceeding 30% of the Company's latest audited total assets;
- (V) any equity incentive plan;
- (VI) other matters required by the law, regulations, departmental rules, the HK Listing Rules and other securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, and determined by ordinary resolutions at the General Meeting to have a significant impact on the Company and thus requiring a special resolution.

**Article 81** All shares held by the shareholders of the Company are ordinary shares and there are no shares with special voting rights. Shareholders (including proxies) may exercise their voting rights by the number of shares held by them which carry the right to vote. Each share carries out one vote. On a poll taken at a meeting, shareholders (including proxies) entitled to two or more votes need not cast all votes as affirmative, negative or abstention votes. However, the shares (i.e., treasury shares) which is held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders attending a General Meeting.

Where a shareholder is required to abstain from voting on a matter pursuant to the provisions of the HK Listing Rules or is restricted to casting affirmative or negative votes only, the shareholder shall abstain from voting on such matter pursuant to such provisions; any shareholder's votes or votes of proxy that violate such provisions or restrictions shall not be included in the voting results.

When the General Meeting reviews important issues affecting the interests of minority shareholders, it shall count the votes of these shareholders separately. The results of separate counting shall be disclosed publicly in a timely manner.

The shares held by the Company itself have no voting rights and shall not be included in the total voting shares held by the shareholders attending the meeting.

The Board, independent non-executive Directors, shareholders holding 1% or more of the voting shares or investor protection institutions established pursuant to laws, administrative regulations or the rules of the securities regulatory authorities of the place where the Company's shares are listed, may publicly solicit shareholders' voting rights. When soliciting voting rights from shareholders, the specific voting intention and other information shall be fully disclosed to the solicitation targets.

When the qualified shareholders of the Company publicly solicit the rights convening a General Meeting, rights to submit proposals, rights of nomination, voting rights and other shareholder rights lawfully held by other shareholders, the solicitation with the provision of direct or indirect compensation shall be prohibited. The Company may not impose any minimum shareholding requirement for the solicitation of voting rights, except for statutory conditions.

Resolutions referred to in Rules 2.2 and 2.10 of the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong (hereinafter referred to as the "HKSFC"), and Rule 3.3 of the Code on Share Repurchases, as well as other resolutions that, pursuant to the relevant provisions of the HK Listing Rules, the Code on Takeovers and Mergers and the Code on Share Repurchases (each as amended from time to time), shall only be adopted by H shareholders, shall be adopted by and only by the H shareholders' meeting.

**Article 82** When relevant connected transaction (as defined under the HK Listing Rules) is considered at a General Meeting, connected shareholders and their close associate(s) (as defined under the HK Listing Rules) shall not vote, and the voting shares held by them shall not be counted in the total number of shares with voting rights. The announcement of the resolutions of the General Meeting shall fully disclose the voting of non-connected shareholders.

Before the General Meeting considers matters relating to connected transactions, the Company shall determine the scope of connected shareholders in accordance with relevant laws, regulations, the HK Listing Rules and the regulatory requirements of the securities regulatory authority of the place where the shares of the Company are listed. Connected shareholders or their authorized representatives may attend the General Meeting, and may clarify their views to the shareholders in accordance with the procedures of the meeting, but they shall proactively abstain from voting in a poll.

Where the General Meeting considers matters relating to connected transactions, connected shareholders shall proactively abstain from voting. If connected shareholders fail to proactively abstain from voting, other shareholders attending the meeting shall be entitled to request them to abstain from voting. Upon abstention of the connected shareholders, other shareholders shall vote as per their voting rights and make corresponding resolutions in accordance with the Articles of Association. The abstaining and voting procedures for connected shareholders shall be notified by the presider of the General Meeting and shall be recorded in the minutes of the meeting.

Resolution at a General Meeting on a connected transaction shall be passed by votes representing a majority of the voting rights held by the non-connected shareholders attending the General Meeting. However, if the connected transaction is a matter requiring a special resolution as stipulated in the Articles of Association, the resolutions of the General Meeting must be passed by votes representing two-thirds or more of the voting rights held by the non-connected shareholders attending the General Meeting. If an announcement is involved, the announcement of the resolutions of the General Meeting shall fully disclose the information of voting of the non-connected shareholders.

Where connected persons or their close associates participate in voting in violation of this Article, their voting in respect of matters relating to connected transactions shall be invalid.

**Article 83** Unless the Company is in a crisis or under any other exceptional circumstance, the Company shall not enter into a contract with any person other than a Director, a general manager and other senior management members, according to which the Company entrusts its business, wholly or essentially, to such person, unless this is approved at the General Meeting in a special resolution.

**Article 84** List of Director and Supervisor candidates shall be submitted to the General Meeting by way of proposal.

When voting in respect of the election of Directors and Supervisors at the General Meeting is conducted, a cumulative voting system shall be implemented in accordance with the Articles of Association or resolutions at General Meeting. When a General Meeting elects two or more independent non-executive Directors, the cumulative voting system shall be adopted.

The cumulative voting system mentioned in the previous paragraph refers to: in electing Directors or Supervisors at the General Meeting, the voting right(s) carried by each share shall be the same as the number of Directors or Supervisors to be elected. The voting right(s) of the shareholders can be exercised on a concentration basis. The Board shall provide the brief biographies and basic information of the candidates for Directors and Supervisors to the shareholders.

The method and procedure for nominating candidates for directors and supervisors are as follows:

- (I) The Board, the Board of Supervisors, and shareholders who individually or collectively hold 3% or above shares shall be entitled to submit proposals to the General Meeting for the election of directors and shareholders' representative supervisors. The Board, the Board of Supervisors, and shareholders who individually or collectively hold 1% or above shares shall be entitled to submit proposals to the General Meeting for the election of independent non-executive Directors. The Board and the Board of Supervisors shall examine the qualifications of the candidates and propose them to the General Meeting for election.
- (II) The staff representative of the Board of Supervisors shall be elected by the staff representative assembly through a secret ballot on a competitive basis, and shall be elected only after obtaining the consent of more than half of all staff representatives of staff representative assembly of the Company.

**Article 85** Except for the resolutions considered with the adoption of the cumulative voting system, all proposals shall be voted on one by one at the General Meeting; in the event of several proposals for the same issue, such proposals shall be voted on and resolved in the order of time at which they are submitted. Unless the General Meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused at the General Meeting.

**Article 86** No amendment shall be made to a proposal when it is considered at a General Meeting. If a change is made, it shall be deemed as a new proposal and shall not be voted on at the current General Meeting.

**Article 87** The same vote may only be cast once of a General Meeting onsite or by other means. Where the same vote is cast for two or more times, the first cast shall hold.

**Article 88** At any General Meeting, voting shall be conducted by open poll.

**Article 89** Before voting takes place on a proposal at the General Meeting, two shareholders' representatives shall be elected to count and scrutinize the votes. In the event that a shareholder has connections with a matter to be considered, the relevant shareholder and his/her proxy shall not participate in counting and scrutinizing of the votes.

When proposals are voted on at the General Meeting, attorneys (if any), shareholders' representatives and Supervisors representatives shall be jointly responsible for counting and scrutinizing votes and shall announce the voting results on the spot. The voting result shall be recorded in the meeting minutes.

Shareholders or their proxies voting online or through other means (if any) shall have the right to check their voting results via the corresponding voting system.

**Article 90** A on-site General Meeting shall not end before that held on-line or otherwise (if any), and the chairman of the meeting shall announce the voting status and results of each proposal and announce whether the proposal is adopted or not based on the voting results.

Prior to the formal announcement of voting results, the relevant parties involved in relation to the on-site voting, on-line or otherwise (if any) at the General Meeting, including the Company, the persons responsible for counting votes and scrutinizing the voting, the shareholders, and internet service provider (if any) shall be obliged to keep the voting status confidential.

**Article 91** Shareholders present at the General Meeting shall express one of following opinions on any proposals to be voted: for, against or abstain, save for the circumstance under which the securities registration and settlement institutions acting the nominal holders of shares the mutual stock market access mechanism between the Mainland China and Hong Kong makes declaration according to the intentions of actual holders.

Unfilled, wrongly filled, illegible or uncast votes are regarded as the voters giving up their voting rights and the voting results of their shares shall be "abstain".

**Article 92** In the event that the chairman of the meeting has any doubt as to the result of a resolution put forward to the vote, the chairman may have the votes counted. In the event that the chairman of the meeting fails to have the votes counted, any shareholder present in person or by proxy who objects to the result announced by the chairman of the meeting may demand for the counting of votes immediately after the declaration of the voting result, the chairman of the meeting shall have the votes counted immediately.

**Article 93** Resolutions of the General Meeting shall be announced in due time. The announcement shall specify the number of attending shareholders and their proxies, the total number of voting shares held by them and the proportion to the total number of the voting shares of the Company, the voting method, the voting results for every resolution and the details of each of the resolutions passed.

**Article 94** Where a proposal has not been passed or the resolutions of the preceding General Meeting have been changed at the current General Meeting, special mention shall be made in the announcement of the resolutions of the General Meeting.

**Article 95** If the General Meeting passes a proposal concerning the election of Directors or supervisors, the time of appointment of the Directors elected or supervisors elected shall be the time specified in the resolution of the General Meeting for election of such Directors or supervisors; if the resolution of the General Meeting does not specify the time of appointment, the time of appointment shall be the time when the resolution of the General Meeting is made.

**Article 96** If the General Meeting passes the proposal on cash dividends, bonus shares or conversion of capital reserve into share capital, the Company shall implement the specific scheme in 2 months after the end of the General Meeting.

## CHAPTER V THE BOARD

### Section 1 Directors

**Article 97** Directors of the Company are natural persons. The following person shall not serve as a Director of the Company:

- (I) A person who has no civil capacity or has limited civil capacity;
- (II) A person who has been sentenced to criminal penalties for offenses including corruption, bribery, embezzlement of property, misappropriation of property, or undermining the order of the socialist market economy, or whose political rights have been deprived due to a criminal conviction, and for whom a period of five years has not elapsed since the completion of the execution of the sentence; or a person who has been granted a probationary sentence, for whom a period of two years has not elapsed since the expiration of the probationary period;

- (III) A person who is a Director, factory manager or general manager of a company or enterprise that is bankrupt and liquidated, was personally liable for the bankruptcy of such company or enterprise, and is within three years of the date of completion of bankruptcy and liquidation of such company or enterprise;
- (IV) A person who has served as the legal representative of a company or enterprise whose business license was revoked or was ordered to close due to violation of laws, was personally liable, and is within three years of the date on which the business license of such company or enterprise was revoked or ordered to close;
- (V) A person who has substantial unpaid debts due and has been listed by the People's Court as a dishonest person subject to enforcement;
- (VI) A person who has been banned from entering the securities market by the CSRC and whose term has not expired;
- (VII) A person who has been publicly identified by a stock exchange as unsuitable to serve as a Director or senior management member, etc., of a listed company, for whom the relevant period has not expired;
- (VIII) A person who has been subject to administrative punishment by the CSRC in the last three years, or has been publicly denounced by the stock exchange in the last 12 months;
- (IX) A person who has been filed for investigation by the judicial authority due to suspected crimes or has been filed for investigation by the CSRC due to suspected violations of laws and regulations, and has not yet reached a clear conclusion;
- (X) Other contents stipulated by laws, administrative regulations, departmental rules, normative documents, the HK Listing Rules and other securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

In the case of the election, appointment or employment of Directors which violates the provisions of this Article, the election, appointment or employment shall be null and void. Where a Director falls under the circumstances referred to in this Article during his/her tenure, the Company shall terminate his/her appointment.

**Article 98** Directors shall be elected or replaced at the General Meeting, and may be removed by the General Meeting before the expiration of their term of office. The term of office of the Directors shall be two years. Upon maturity of the current term of office, a Director shall be eligible to offer himself/herself for re-election and reappointment.

The term of office of a Director shall start from the date on which the said Director assumes office to the expiry of the current term of the Board. If the term of office of a Director expires but re-election is not made in a timely manner, the said Director shall continue to perform the duties as a Director pursuant to the laws, administrative regulations, departmental rules and the Articles of Association until the elected Director assumes his office.

Any Director appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office only until the first annual General Meeting of the Company following his/her appointment, and shall then be eligible for re-election.

Unless otherwise required by laws, regulations, or regulatory rules in the place where the Company's Shares are listed, the shareholders may remove any Director (including the executive Directors, non-executive Directors or independent non-executive Directors) before the expiration of his/her term of office by way of an ordinary resolution at the General Meeting, without prejudice to claims for damages made by the Director pursuant to any contract.

A Director may serve concurrently as general manager or other senior management members, but the total number of Directors serving concurrently as general manager or other senior management members shall not be more than half of the Directors of the Company.

**Article 99** Directors shall abide by laws, administrative regulations and the Articles of Association, have the fiduciary duties to the Company, take measures to avoid conflicts between their own interests and the interests of the Company, and shall not make use of their positions to gain undue advantage. Directors shall have the following fiduciary duties to the Company:

- (I) not to abuse their rights to accept bribes or other illegal income;
- (II) not to misappropriate the money of the Company and the properties of the Company;
- (III) not to deposit any assets or money of the Company in any accounts under their names or in the names of other persons;
- (IV) not to violate the Articles of Association and lend the money of the Company to others or provide guarantee to others by charging the Company's assets without approval of the General Meetings or the Board;
- (V) not to directly or indirectly conclude any contract or engage in any transaction with the Company before reporting to the Board or the General Meeting and passing the resolution at the Board meeting or the General Meeting in accordance with the provisions of the Articles of Association;
- (VI) not to use the advantages provided by their own positions to pursue business opportunities that shall have otherwise been available to the Company, unless reported to the Board or the General Meeting and approved by a resolution of the General Meeting, or the Company is not able to take advantage of the business opportunity in accordance with the laws, administrative regulations or the provisions of the Articles of Association; not to engage in the business similar to those of the Company either for their own account or for the account of any other person without reporting to the Board or the General Meeting and passing a resolution at the General Meeting;

- (VII) not to accept commissions from transactions with the Company as their own;
- (VIII) not to disclose confidential information of the Company without authorization;
- (IX) not to exploit their connected relationships to damage the Company's interests;
- (X) to be bound by other duties of loyalty stipulated by the laws, administrative regulations, departmental rules, the HK Listing Rules, other securities regulatory rules of places where the Company's Shares are listed and the Articles of Association.

The Company shall be entitled to the income gained by the Directors in violation of this Article; the Director shall be liable for compensation if any loss is caused to the Company.

**Article 100** Directors shall abide by laws, administrative regulations and the Articles of Association, bear the diligence obligations to the Company and exercise due care generally expected of the management in the best interests of the Company when performing their duties. The Directors shall diligently perform their following obligations to the Company:

- (I) to exercise prudently, conscientiously and diligently the rights granted by the Company to ensure that the Company's commercial activities are in compliance with the laws, administrative regulations and the requirements of economic policies of China and that its commercial activities are within the scope stipulated in the business license;
- (II) to treat all shareholders fairly;
- (III) to understand the operation and management of the Company in a timely manner;
- (IV) to approve regular reports of the Company in written form and to ensure the integrity, accuracy and completeness of the information disclosed by the Company;
- (V) to provide relevant true details and data to the Board of Supervisors and shall not obstruct the Board of Supervisors or supervisors from performing its or their duties;
- (VI) to cooperate in the implementation of the resolutions of the General Meeting actively and not obstruct the reasonable and normal execution of the Company's business plans;
- (VII) other diligence obligations specified by the laws, administrative regulations, departmental rules, the HK Listing Rules, other securities regulatory rules of places where the Company's Shares are listed and the Articles of Association.

**Article 101** If any Director fails to attend in person (attending or voting at the meeting of the Board by means of communication is deemed to attend in person) or appoint other Directors as his/her representative to attend meetings of the Board for two consecutive times, such Director shall be deemed to have failed to perform his duties, and the Board shall make a proposal to the General Meeting to replace such Director.

**Article 102** A Director may resign before expiry of his/her term of service. A Director shall submit a written resignation notice to the Board when he/she resigns. The Company shall disclose the relevant information within two trading days or within the period stipulated by the securities regulatory rules of the place where the Company's Shares are listed.

If number of the member of Directors and its special committees falls below the minimum statutory requirement due to a Director's resignation, the former Directors shall still perform their duties as Directors in accordance with the requirements of the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association until an elected Director assumes his/her office.

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 Company.

**Article 103** When a Director's resignation takes effect or his/her term of service expires, the Director shall complete all handover procedures with the Board. His/her duty of loyalty towards the Company and the shareholders do not necessarily cease after the end of his/her term of service. The duty of confidentiality in respect of trade secrets of the Company shall still be in effect after the end of his/her term of office, until such secrets become publicly available information. The specific period for Directors to fulfill the duty of loyalty shall be two years from the date when his/her resignation takes effect, or his/her term of service expires. Duration of other obligations shall be determined following the principle of fairness, taking into full account the nature of the matter, its importance to the Company, the length of time it has affected the Company and the Company's relationship with the Director comprehensively. Liabilities arising from the performance of duties during the Director's term are not waived or terminated upon leaving office.

The General Meeting may remove any Director by a resolution, which shall come into effect from the date on which such resolution is made.

**Article 104** No Director may act on behalf of the Company or the Board in his/her personal capacity, unless specified in the Articles of Association or legally authorized by the Board. In the event that a Director acts in his/her personal capacity, but a third party may reasonably think the said Director is acting on behalf of the Company or the Board, such Director shall state his/her stance and capacity in advance. If a Director, in the performance of his/her duties, causes damage to others, the Company will be liable for compensation; the Director shall also be liable for compensation if there is intentionality or gross negligence on his/her part. Any Director who violates any laws, administrative regulations, departmental rules or the Articles of Association in performing his/her duties and thereby incurring losses to the Company shall be liable for indemnification for such losses.

**Article 105** The Company shall have independent non-executive Directors, whose qualification requirements, nomination and selection procedures, term of office, resignation, and function and power shall be implemented in accordance with the relevant provisions of laws, administrative regulations, departmental rules, HK Listing Rules and other securities regulatory rules of the place where the Company's Shares are listed. Unless otherwise stipulated in this chapter, the provisions of the Articles of Association concerning the qualifications and duties of Directors shall apply to independent non-executive Directors.

Independent non-executive Directors shall faithfully perform their duties and safeguard the interests of the Company; in particular, they shall attend to the protection of the legitimate rights and interests of public shareholders, so as to ensure that the interests of all shareholders are fully represented. The function and power and related matters of independent non-executive Directors shall be carried out in accordance with laws, administrative regulations, departmental rules, HK Listing Rules and the other securities regulatory rules of the place where the Company's Shares are listed.

## Section 2 The Board

**Article 106** The Company shall establish a Board in accordance with the law, which shall be accountable to the General Meeting.

**Article 107** The Board shall consist of nine Directors, including one Chairman of the Board. At all times, the Board shall have more than one-third independent non-executive Directors, and the total number of independent non-executive Directors shall not be less than three. At least one independent non-executive Director shall have appropriate professional qualifications in line with regulatory requirements or be equipped with appropriate accounting or relevant financial management expertise.

The Board may include no more than three staff representative Directors, who shall be elected by the staff representative assembly through secret ballot in a competitive by-election. They shall be deemed elected upon the approval of more than half of all staff representatives at the staff representative assembly of the Company, and such election shall not be subject to the deliberation of the General Meeting. No senior management members or supervisors of the Company may concurrently hold the position of staff representative Director.

**Article 108** The Board exercises the following powers:

- (I) to convene the General Meeting and report on work to the General Meeting;
- (II) implement the resolutions of the General Meeting;
- (III) determine the business and investment plans of our Company;
- (IV) devise the earnings distribution and loss offset plans of our Company;
- (V) formulate the plans for increasing or decreasing our Company's registered capital, the issuance of bonds or other securities, as well as the listing of the stock;
- (VI) formulate plans for major acquisitions of the Company, the acquisition of stocks of our Company or merger, separation, dissolution and changing the form of our Company;
- (VII) examine and approve the guarantee matters which fail to meet the approval criteria of the General Meeting;

- (VIII) determine such matters as the Company's external investment, acquisition or sale of assets, asset pledge, external guarantee, entrusting wealth management, connected transaction (except for transactions between our Company and its subsidiaries) and external donations within the scope authorized by the General Meeting;
- (IX) determine such matters as investment, acquisition or sale of assets, financing and connected transaction (except for transactions between our Company and its subsidiaries) as decided by the Board pursuant to the HK Listing Rules and other securities regulatory rules of the place where the Company's Shares are listed;
- (X) decide on the setup of our Company's internal management organization;
- (XI) decide on matters such as appointment or dismissal of the Company's general manager, board secretary and other senior management members and on their remuneration and rewards and penalties; to decide on appointment or dismissal of the Company's vice general managers, finance manager and other senior officers as nominated by the general manager and on their remuneration and rewards and penalties;
- (XII) set the basic management systems of our Company;
- (XIII) make the modification plan to the Articles of Association;
- (XIV) propose the appointment or replacement of the accounting firm that performs audits for our Company at the General Meeting, or a material change in any of our Company's accounting policies, or a change in our Company's financial year;
- (XV) hear the work report of our Company's general manager and inspect the work of the general manager;
- (XVI) manage the Company's information disclosure matters;
- (XVII) other powers and duties authorized by the laws, administrative regulations, departmental rules, the HK Listing Rules, other securities regulatory rules of the place where the Company's Shares are listed, the Articles of Association and the General Meeting.

Matters beyond the scope of authorization of the General Meeting shall be submitted to the General Meeting for deliberation.

**Article 109** The Board of the Company has established the Audit Committee, and shall establish the relevant special committees such as the Nomination Committee and Remuneration Committee as necessary. The special committees shall be accountable to the Board and perform their duties in accordance with the Articles of Association and the authorization of the Board, and their proposals shall be submitted to the Board for consideration and approval. Each special committee shall be comprised of Directors, in which the independent non-executive Directors shall account for more than half of the members of Nomination Committee and Remuneration Committee, in which an independent non-executive Directors shall serve as the Chairman of the Remuneration Committee, and the Chairman of the Board or an independent non-executive Directors shall serve as the Chairman of the Nomination Committee. All members of the Audit Committee shall be the non-executive Directors, of which at least one member shall possess the appropriate professional qualifications required by the HK Listing Rules, or have appropriate accounting or related expertise in financial management. The person in charge of each special committee shall be appointed and removed by the Board.

The Board is responsible for the compilation of the rules of procedure and regulation of operation of each special committee, which regulate the formation, terms of reference and procedure of special committees, and regulate the operation of the special committees.

Special committees of the Board are designated organizations under the Board, which provide suggestions or consulting opinions to the Board on material decision-making. Special committees shall not make any decision in the name of the Board, but can exercise the right of decision-making on authorized matters in accordance with the special authorization from the Board.

Each special committee may engage intermediary agencies to provide professional advice according to actual needs, and the relevant expenses shall be borne by the Company.

Each special committee shall be accountable to and report its work to the Board.

**Article 110** Except for matters that are required by laws, administrative regulations, the HK Listing Rules, other securities regulatory rules of the place where the Company's shares are listed or the Articles of Association to be passed by a special resolution of the Board, other matters within the authority of the Board shall be passed by an ordinary resolution of the Board.

**Article 111** The Board of the Company shall explain to the General Meeting regarding the non-standard audit opinion given by a certified accountant in respect of the financial report of the Company.

**Article 112** The Board shall formulate the Rules of Procedure for meetings of the Board, to ensure the implementation by the Board of the resolutions of the General Meeting, enhance the efficiency and scientific decision-making. The Rules of Procedure for meetings of the Board shall be annexed to the Articles of Association, and shall be prepared by the Board and approved by the General Meeting.

**Article 113** The Board shall determine the authority with respect to external investment, acquisition and sale of assets, asset pledge, external guarantee, entrusted wealth management, connected transactions, external donations and other matters (collectively referred to as the “Non-ordinary Scope of Business”), establish stringent examination and decision-making procedures; material investment projects shall be assessed and examined by organizing relevant specialists or professionals, and shall be reported to the General Meeting for approval.

Transactions of the Company other than the above-mentioned non-ordinary scope of business that meet one of the following criteria shall be submitted to the Board for review:

- (I) the amount of the transaction accounts for more than 50% of the Company’s latest audited total assets, and the absolute amount exceeds RMB300 million;
- (II) the amount of the transaction accounts for more than 50% of the Company’s total audited operating revenue or operating costs for the most recent accounting year, and exceeds RMB300 million;
- (III) the total profit expected to be generated from the transaction accounts for more than 50% of the Company’s total audited net profit for the most recent accounting year, and exceeds RMB30 million;
- (IV) transactions that are required to be submitted to the Board for consideration and approval in accordance with the relevant provisions of the HK Listing Rules and other securities regulatory rules of the place where the Company’s shares are listed;
- (V) other transactions that may have a material impact on the assets, liabilities, equity and operating results of the Company.

**Article 114** The Board has one Chairman of the Board who shall be elected and removed by the Board with more than half of all directors. The term of office of the Chairman of the Board is two years and he/she is eligible for re-election.

**Article 115** The Chairman of the Board shall exercise the following powers:

- (I) to preside over General Meetings, and convene and preside over meetings of the Board;
- (II) to supervise and review the implementation of resolutions passed by the Board;
- (III) to sign the share certificates, corporate bonds and other marketable securities issued by the Company;
- (IV) to sign the important documents of the Board;

- (V) in the event of emergency of force majeure such as catastrophic natural disaster, to exercise special discretion on the affairs of the Company in accordance with provisions of laws and the interests of the Company and to report to the Board of the Company or the General Meeting afterwards;
- (VI) to exercise other powers conferred by the Board or laws, administrative regulations and regulatory rules of the place where the Company's shares are listed.

The authorization to the Chairman of the Board by the Board shall be granted clearly in the way of Board resolution, which shall state the particular of authorization matters, content and authority clearly. Matters that involve material interest of the Company shall be decided by the Board collectively, and shall not authorize the Chairman of the Board or individual directors to decide on his/her own.

**Article 116** If the Chairman of the Board cannot or does not perform his/her duties, a director jointly elected by more than half of the directors shall perform such duties.

**Article 117** Any discussion of the Board shall be carried out by convening the Board Meetings. Board Meetings comprised of regular meetings and extraordinary meetings. Board Meetings shall be held at least four times a year, once every quarter. Meetings shall be convened by the Chairman of the Board. Written notice shall be given to all directors and supervisors at least 14 days before the meeting is held.

**Article 118** Extraordinary Board meetings may be proposed to be convened by shareholders representing more than 10% of the voting rights, more than one-third of the directors or the Board of Supervisors. The Chairman of the Board shall convene the meeting within 10 days of receiving such proposal, and preside over the meeting.

**Article 119** Notices of extraordinary meetings of the Board shall be served to all the directors and supervisors 3 days before the meetings are convened. In case of urgency, which the extraordinary meetings of the Board shall be convened as soon as possible, notice of the meeting could be given without being subject to the restriction listed in the preceding article.

**Article 120** A notice of the meeting of the Board shall include:

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

**Article 121** The Board meeting shall be held upon the attendance by more than half of directors. Resolutions of the Board shall be passed by more than half of all directors. Resolutions of the Board are voted by way of poll with each director having one vote. When the number of votes against equals to that of votes for, the Chairman of the Board shall be entitled to cast an additional vote.

**Article 122** If any director has connection or other conflict of interest with the enterprise or the individual involved in the resolution made at a Board meeting, the director shall promptly report in writing to the Board, and such director shall not vote on the said resolution for himself/herself or on behalf of another director. The Board meeting may be held when more than half of the non-connected or disinterested directors attend the meeting. The resolutions of the Board meeting shall be passed by more than half of the non-connected or disinterested directors attending the meeting. If the number of non-connected or disinterested directors attending the meetings is less than three, the issue shall be submitted to the General Meeting for consideration. If laws, regulations and securities regulatory rules of the place where the Company's shares are listed impose any additional restrictions on directors' participation in Board meetings and voting, the relevant provisions thereof shall be complied with concurrently.

**Article 123** The voting on resolutions of the Board shall be conducted by open ballot.

The Board meetings may be convened and the voting can be made by means of communication such as physical meetings, through communication devices and a combination of physical meeting and through the usage of communication devices.

The extraordinary meetings of the Board may be convened and the voting can be made by means of communication such as telephone, video, facsimile, e-mail, etc. and signed by the participating directors, provided that the directors' opinions are fully expressed.

**Article 124** Directors shall attend the meetings of the Board in person. Where a director is unable to attend a meeting for any reason, he/she may, by a written power of attorney, appoint another director to attend the meeting on his/her behalf. The name of the proxy, the subject which the proxy is related to, the scope of authorization and valid period shall be stated in the power of attorney, and shall be signed or sealed by the appointor. The director who attends the meeting on behalf of others shall exercises the rights of the directors within the scope of the authorization. Director who does not attend the Board Meeting and does not appoint a proxy to attend on his/her behalf shall be deemed as forgoing his/her rights of voting at that meeting.

**Article 125** The Board shall make minutes of its decisions on the matters discussed at the meeting and the directors present at the meeting shall sign the minutes.

The directors shall be responsible for the resolutions passed at Board meetings. If any resolution made by the Board violates the laws, administrative regulations or the Articles of Association, and causes any substantial losses to the Company, directors who voted for the said resolution shall be liable for compensation to the Company. If it is proved that any director has expressed dissent during the voting and the such objection is recorded in the minutes of the meeting, the said director may be exempt from any liability.

The minutes of Board meetings shall be kept as the corporate archive for a period of not less than 10 years.

**Article 126** The minutes of the Board meeting shall include:

- (I) convening date, venue and the convener's name of the meeting;
- (II) names of directors present and such directors (proxies) attending by proxy;
- (III) agenda of the meeting;
- (IV) key points of speeches of the directors;
- (V) the voting method and the results of each resolution (the number of votes in favor, against or abstain shall all be clearly indicated).

### **Section 3 Independent Non-Executive Directors**

**Article 127** The independent non-executive Directors shall diligently perform their duties in accordance with the laws, administrative regulations, the rules of the China Securities Regulatory Commission, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association. They shall play their roles in participating in decision-making, exercising supervision and checks, and providing professional advice in the Board, safeguard the overall interests of the Company and protect the lawful rights and interests of the minority shareholders.

**Article 128** The independent non-executive Directors must maintain independence. A person whose independence is questionable under any of the following circumstances shall not serve as an independent non-executive Director:

- (I) the Director holds more than 1% of the total number of the issued shares (excluding treasury shares) of the Company;
- (II) the Director has acquired any interest in securities of the Company from a core connected person or the Company itself by way of gift or other financial assistance. However, subject to the conditions under Note 1 to Rule 3.13(1) of the HK Listing Rules, if the Director receives shares or interests in securities from the Company or its subsidiaries (but not from core connected persons) as part of his/her director's emoluments or under a share scheme established in accordance with Chapter 17 of the HK Listing Rules, the Director shall still be regarded as independent;

- (III) the Director is or was a director, partner or principal of a professional adviser which is currently providing, or has provided in the two years immediately preceding the proposed appointment, services to (a) the Company, its holding company or any of their respective subsidiaries or core connected persons; or (b) any person who was a controlling shareholder of the Company within the two years immediately preceding the date of the proposed appointment of the person as an independent non-executive Director, or (if the Company does not have a controlling shareholder) any person who was the chief executive or a Director (other than an independent non-executive Director) of the Company, or any of their close associates; and such professional adviser was involved, or the Director was an employee involved, in the provision of the relevant services during the same period;
- (IV) the Director currently has or had within one year immediately preceding the date of the proposed appointment of the person as an independent non-executive Director, a material interest in any principal business activity of the Company, its holding company or their respective subsidiaries; or is or was materially involved in or had a material interest in any material business transaction with the Company, its holding company or their respective subsidiaries or with any core connected person of the Company;
- (V) the Director serves as a member of the Board for the purpose of safeguarding a certain entity, the interests of which differ from the interests of the shareholders as a whole;
- (VI) the Director is connected with any director, chief executive or substantial shareholder of the Company at the time of the proposed appointment or was so connected within the two years immediately preceding the date of the proposed appointment as an independent non-executive Director;
- (VII) the Director is (or was within the two years immediately preceding the date of the proposed appointment as a Director) an executive officer or a director (other than an independent non-executive Director) of the Company, its holding company or any of their respective subsidiaries or any core connected person of the Company;
- (VIII) the Director is financially dependent on the Company, its holding company or any of their respective subsidiaries or any core connected person of the Company; and
- (IX) other persons who are not independent as stipulated by laws, administrative regulations, regulations of the CSRC, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The independent non-executive Directors shall conduct an annual self-assessment of their independence and submit the self-assessment results to the Board. The Board shall conduct an annual assessment of the independence of the incumbent independent non-executive Directors and issue a special opinion, which shall be disclosed together with the annual report.

**Article 129** A person serving as an independent non-executive Director of the Company shall satisfy the following conditions:

- (I) be qualified to serve as a director of a listed company in accordance with laws, administrative regulations and other relevant provisions;
- (II) satisfy the independence requirements stipulated in the Articles of Association;
- (III) possess basic knowledge of the operations of a listed company and be familiar with the relevant laws, regulations and rules;
- (IV) have not less than five years of working experience in law, accounting, economics or other fields necessary for performing the duties of an independent non-executive Director;
- (V) be of good personal character and have no record of bad conduct such as material dishonesty;
- (VI) other conditions stipulated by laws, administrative regulations, regulations of the CSRC, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

**Article 130** As members of the Board, the independent non-executive Directors owe duties of fiduciary and diligence to the Company and all shareholders, and shall diligently perform the following duties:

- (I) participate in the Board's decision-making and express clear opinions on matters discussed, and provide independent views on issues concerning strategy, policy, the Company's performance, accountability, resources, key appointments and codes of conduct;
- (II) supervise potential material conflicts of interest between the Company and its controlling shareholders, de facto controllers, Directors and senior management members, and protect the lawful rights and interests of minority shareholders;
- (III) provide professional and objective advice for the Company's business development, and promote the enhancement of the Board's decision-making level;
- (IV) carefully examine whether the Company's performance meets the established corporate objectives and goals, and oversee the reporting of the Company's performance;
- (V) other duties stipulated by laws, administrative regulations, regulations of the CSRC, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

**Article 131** The independent non-executive Directors exercise the following special powers:

- (I) independently hiring intermediary institutions to audit, consult, or verify specific matters of the Company;
- (II) proposing to the Board to convene an extraordinary general meeting;
- (III) proposing to convene a Board meeting;
- (IV) publicly soliciting shareholders' rights from shareholders in accordance with the law;
- (V) giving independent opinions on matters that may damage the rights and interests of the Company or minority shareholders;
- (VI) other powers stipulated by laws, administrative regulations, regulations of the CSRC, the securities regulatory rules in the place where the Company's shares are listed and the Articles of Association.

An independent non-executive Director exercising the powers stipulated in items (I) to item (III) of the preceding paragraph shall obtain the consent of more than half of all the independent non-executive Directors.

Where an independent non-executive Director exercises the powers stipulated in the first paragraph, the Company shall promptly make disclosure. Where the powers are unable to be exercised, the Company shall disclose the specific circumstances and reason.

**Article 132** The following matters shall be submitted to the Board for consideration after being approved by more than half of all independent non-executive Directors of the Company:

- (I) the connected (related) transactions that shall be disclosed;
- (II) plan for change or waiver of undertaking by the Company and the relevant parties;
- (III) decisions made and measures adopted by the Board of the target listed company in respect of the acquisition;
- (IV) any other matters stipulated by laws, administrative regulations, regulations of the CSRC, the securities regulatory rules in the place where the Company's shares are listed and the Articles of Association.

**Article 133** The Company shall establish a mechanism for special meetings which will be attended by independent non-executive Directors only. Matters such as related party transactions to be considered by the Board of Directors shall be approved in advance by a special meeting of the independent non-executive Directors.

The Company shall convene special meetings of the independent non-executive Directors on a regular or ad hoc basis. Matters listed in items (I) to (III) of paragraph I of Article 131 and in Article 132 of the Articles of Association shall be considered by a special meeting of the independent non-executive Directors. The special meetings of the independent non-executive Directors may consider and discuss other matters of the Company when necessary.

The special meetings of the independent non-executive Directors shall be convened and chaired by one independent non-executive Director elected by more than half of the independent non-executive Directors; in the event that the convener fails to or is unable to perform his/her duties, two and more independent non-executive Directors may convene a meeting on their own and elect one representative to preside over the meeting.

Minutes of special meetings of independent non-executive Directors shall be prepared in accordance with the regulations and the views of independent non-executive Directors should be set out in the minutes. The independent non-executive Directors should sign to confirm the minutes of the meeting.

The Company shall facilitate and support the convening of the special meetings of the independent non-executive Directors.

#### **Section 4 Special Committees of the Board**

**Article 134** The Board of the Company sets up an Audit Committee. The Audit Committee consists of three members, all of whom are non-executive Directors, including two independent non-executive Directors, and the independent non-executive Directors are the chairman/convener.

**Article 135** The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosures, supervising and evaluating the internal and external audit work and internal control. The following matters shall be approved by more than half of all the members of the Audit Committee before being submitted to the Board for review:

- (I) the disclosure of financial information in financial accounting reports and periodic reports and internal control evaluation reports;
- (II) the engagement or dismissal of the accounting firm that undertakes the listed company's audit;
- (III) the appointment or dismissal of the person in charge of finance of the listed company;
- (IV) changes in accounting policies or accounting estimates or corrections of significant accounting errors for reasons other than changes in accounting standards;
- (V) other matters as required by laws, administrative regulations, regulations of the CSRC and the Articles of Association.

**Article 136** The Audit Committee shall convene at least one meeting every quarter, and may hold an extraordinary meeting when two or more members propose, or when the convenor deems it necessary. More than two thirds of the members are required to form the quorum of a meeting of the Audit Committee.

The resolutions of the Audit Committee shall be passed by more than half of members of the Audit Committee.

Resolutions of the Audit Committee shall be decided on a one-person, one-vote basis.

Minutes shall be prepared for the resolutions of the Audit Committee as required and shall be signed by the members of the Audit Committee present at the meetings. The Board shall be responsible for formulating work procedures for the Audit Committee.

**Article 137** The Board of the Company has established the Nomination Committee, the Remuneration Committee and other special committee to perform their duties in accordance with the Articles of Association and the authorization of the Board, and the proposals of the special committee shall be submitted to the Board for review and decision. The Board is responsible for formulating work procedures for special committee. The composition of members of the special committee shall be in compliance with laws, administrative regulations, departmental rules, the HK Listing Rules and other securities regulatory rules of the place where the Company's Shares are listed or the relevant requirements as stipulated by the relevant regulatory authorities.

**Article 138** The Nomination Committee is responsible for formulating the criteria and procedures for selection of Directors, Supervisors and senior management members, selecting and reviewing the candidates for Directors, Supervisors and senior management members and their qualifications, and making recommendations to the Board on the following matters:

- (I) nomination or appointment and removal of Directors and Supervisors;
- (II) appointment or dismissal of senior management members;
- (III) other matters as stipulated by laws, administrative regulations, regulations of the CSRC, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

If the Board does not adopt or does not fully adopt the recommendations of the Nomination Committee, it shall record the opinion of the Nomination Committee and the specific reasons for its non-adoption in a resolution of the Board and disclose the same.

**Article 139** The Remuneration Committee is responsible for the formulation of standards for appraising and conducting evaluation of Directors, Supervisors and senior management members, and the formulation and review of the remuneration decision mechanisms, decision-making processes, payment and cessation of payment recovery arrangements, and other remuneration policies and plans for Directors, Supervisors and senior management members, and making recommendations to the Board on the following matters:

- (I) the remuneration of Directors, Supervisors and senior management members;
- (II) the formulation or amendment of equity incentive schemes and employee stock ownership plans, and the granting of rights to grantees and the achievement of conditions for the exercise of such rights by grantees;
- (III) the arrangement of stock ownership plans for Directors, Supervisors and senior management members in the event of a proposed spin-off of a subsidiary;
- (IV) other matters stipulated by laws, administrative regulations, regulations of the CSRC, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

If the Board does not adopt or does not fully adopt the recommendations of the Remuneration and Assessment Committee, it shall record the opinion of the Remuneration and Assessment Committee and the specific reasons for its non-adoption in a resolution of the Board and disclose the same.

## **CHAPTER VI GENERAL MANAGER AND OTHER SENIOR MANAGEMENT MEMBERS**

**Article 140** The Company has a general manager, who is appointed or dismissed by the Board.

The Company shall have several vice general managers, one board secretary, and one person in charge of finance, who shall be appointed or removed by the Board. The general managers, vice general managers, board secretary, and persons in charge of finance of the Company shall be the senior management members of the Company.

**Article 141** The circumstances under which a person may not serve as a Director and the provisions concerning the management for resignations as mentioned in the Articles of Association shall also apply to senior management members.

In the Articles of Association, the provisions regarding the duty of loyalty as stipulated in Article 99, and the duty of diligence as stipulated in items (IV), (V) and (VI) of Article 100, shall also apply to the senior management members.

**Article 142** Any person who takes administrative position other than a Director or Supervisor in the controlling shareholder of the Company shall not act as senior management members of the Company.

The Company's senior management members are only paid by the Company and are not paid by the controlling shareholder on behalf of the Company.

**Article 143** The general manager shall serve a term of three years and may serve consecutive terms upon reappointment.

**Article 144** The general manager is responsible to the Board and exercises the following powers:

- (I) preside over the Company's production, operation and management, organize the implementation of Board resolutions, and report work to the Board;
- (II) organize and implement the Company's annual business plan and investment plan;
- (III) formulate a plan for the establishment of the Company's internal management organization;
- (IV) formulate the Company's basic management system;
- (V) formulate basic regulations of the Company;
- (VI) request the Board to appoint or dismiss the Company's vice general managers and persons in charge of finance;
- (VII) decide on the appointment or dismissal of responsible management personnel other than those who shall be appointed or dismissed by the Board;
- (VIII) other functions and powers conferred by the Articles of Association, the securities regulatory rules of the place where the Company's Shares are listed or the Board.

The general manager may attend the meetings of the Board, but has no voting rights at the meetings if he/she is not a Director of the Company.

**Article 145** The general manager shall formulate his/her working rules, which shall come into effect upon approval by the Board.

**Article 146** The working rules of general manager shall contain the following:

- (I) conditions for the convening of and the procedure for the general manager's meeting, and the personnel to attend the meeting;
- (II) specific duties and division of work of the general manager and other senior management members;
- (III) the authority to utilize the Company's funds and assets and to enter into material contracts, and the reporting system to the Board and Board of Supervisors;
- (IV) other matters which the Board considers necessary.

**Article 147** The general manager and other senior management members may tender his/her resignation before the expiry of his/her term of office. The procedure and method for such resignation shall be governed by the employment contract between the general manager and other senior management members and the Company.

**Article 148** The vice general managers and the person in charge of finance shall be nominated by the general manager, and shall be appointed and removed by the Board.

The vice general managers shall assist the general manager and be accountable to the general manager, and shall be entrusted by the general manager to be in charge of the relevant work and to issue the relevant business documents within the scope of his/her duties. When the general manager is unable to perform his/her duties, the vice general managers may be entrusted by the general manager to perform the duties of the general manager.

**Article 149** The Company shall have a board secretary, who is responsible for preparing for the General Meeting and the Board meetings, keeping documents and shareholders' materials and handling matters relating to information disclosure, etc.

The board secretary shall abide by the relevant provisions of laws, administrative regulations, departmental rules and the Articles of Association.

**Article 150** The senior management members shall be liable for any loss caused to the Company if they have violated any laws, administrative regulations, departmental rules, the HK Listing Rules and other security regulatory rules of the place where the Company's Shares are listed or the Articles of Association in the course of performing their duties of the Company.

**Article 151** The senior management members of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If the senior management members of the Company fail to perform their duties faithfully or violates their obligations of integrity and causes damage to the interests of the Company and the public shareholders, they shall be liable for compensation in accordance with the law.

## CHAPTER VII BOARD OF SUPERVISORS

### Section 1 Supervisors

**Article 152** The provisions of the Articles of Association relating to the circumstances in which a person may not serve a Director shall also apply to Supervisors.

Directors, general manager and other senior management members shall not serve as Supervisors concurrently.

**Article 153** The Supervisors shall observe laws, administrative regulations, HK Listing Rules, other securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association, fulfill fiduciary duties and duty of diligence to the Company and faithfully perform their Supervisory duties and shall not abuse their powers to accept bribes or other unlawful gains or expropriate the Company's property.

**Article 154** The term of office of a Supervisor shall be three years and is renewable upon reelection when it expires.

**Article 155** If the term of office of a Supervisor expires but re-election is not made promptly, or if any Supervisor resigns during his/her term of office so that the membership of the Board of Supervisors falls short of the quorum, the said Supervisor shall continue to perform the duties of a Supervisor pursuant to the laws, administrative regulations and the Articles of Association until a new Supervisor is elected.

**Article 156** Supervisors shall ensure that information disclosed by the Company is true, accurate and complete, and sign a written confirmation of the periodic report.

**Article 157** Supervisors may attend meetings of the Board and make enquiries or proposals in respect of the resolutions of such meetings.

**Article 158** Supervisors shall not take advantage of their connection with the Company to harm interests of the Company and shall indemnify the Company against losses caused thereby.

**Article 159** If a Supervisor violates the laws, administrative regulations, department rules or the Articles of Association when performing his/her duties in the Company, he/she shall indemnify the Company against losses incurred due to such violation.

## Section 2 Board of Supervisors

**Article 160** The Company shall establish a Board of Supervisors. The Board of Supervisors consists of three members and shall have a chairman, whose appointment and removal shall be decided by a majority vote of all members of the Board of Supervisors. The chairman of the Board of Supervisors convenes and presides over the meetings of the Board of Supervisors. In the event that the chairman of the Board of Supervisors is unable to perform his/her duties or fails to perform his/her duties, a Supervisor shall be jointly elected by more than half of the Supervisors to convene and preside over the meetings of the Board of Supervisors.

The Board of Supervisors shall include shareholders' representatives and an appropriate proportion of employees' representatives, of which the proportion of employees' representatives shall not be less than one-third. The employees' representatives in the Board of Supervisors shall be democratically elected and removed by the employees of the Company through staff representative assembly, general staff meeting or other means. The shareholder representatives on the Board of Supervisors shall be elected and removed by the General Meeting.

**Article 161** The Board of Supervisors is responsible to the General Meeting, and shall perform the following duties and powers in accordance with laws:

- (I) to review the periodic reports of the Company prepared by the Board and express its written opinion;
- (II) to review the financials of the Company;
- (III) to supervise the performance of duties in the Company by the Directors and the senior management members, and propose to remove the Directors and the senior management members who violated the laws, administrative regulations, the Articles of Association or resolutions of General Meeting;
- (IV) to require the Directors and the senior management members to correct the conduct of the Directors and the senior management members that may harm the interests of the Company;
- (V) to propose the convening of extraordinary General Meeting and, in case the Board does not perform the obligations to convene and preside over the General Meeting in accordance with the Company Law and the requirements of the Articles of Association, to convene and preside over the General Meeting;
- (VI) to propose proposals to the General Meeting;

- (VII) to initiate legal proceedings against Directors and the senior management members according to Article 189 of the Company Law;
- (VIII) to conduct investigation if there is any doubt or any unusual circumstances in the Company's operations; and if necessary, to engage an accounting firm, law firm or other professional institutions to assist in their work at the expenses of the Company;
- (IX) to verify the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the Board to the General Meeting and, should any queries arise, to authorize, in the name of the Company, a re-examination by the certified public accountants and practicing auditors for the time being;
- (X) other functions and powers prescribed by the Articles of Association and conferred by the General Meeting.

**Article 162** Meetings of the Board of Supervisors consist of regular meetings and extraordinary meetings. Meetings of the Board of Supervisors shall be held at least once every six months, and at least twice each year, and which shall be convened by the chairman of the Board of Supervisors. Supervisors can propose the convening the extraordinary meetings of the Board of Supervisors.

Resolutions made by the Board of Supervisors shall be approved by more than half of the members of the Board of Supervisors.

**Article 163** If any Supervisor fails to attend in person (Supervisor who participate the meeting of the Board of Supervisors or voting by adopting communication means shall be regarded as attend in person) or appoint other Supervisors to attend meetings of the Board of Supervisors for two consecutive times, such Supervisor shall be deemed to have failed to perform his/her duties, and the General Meeting or staff representative assembly shall remove such Supervisor.

**Article 164** The Board of Supervisors shall formulate the Rules of Procedure for meetings of the Board of Supervisors, clearly indicates the discussion rules and voting procedures of the Board of Supervisors, to ensure its efficiency and scientific decision-making.

The Rules of Procedure for meetings of the Board of Supervisors shall be annexed to the Articles of Association, and shall be prepared by the Board of Supervisors and approved by the General Meeting.

**Article 165** Notices of regular and extraordinary meetings of the Board of Supervisors shall be served to all the Supervisors 10 days and 3 days before the meetings are convened, respectively. In case of urgency, which the extraordinary meetings of the Board of Supervisors shall be convened as soon as possible, notice of the meeting could be given without being subject to the restriction listed in the preceding Article.

**Article 166** A notice of the meeting of Board of Supervisors shall include at least the following:

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

**Article 167** The meetings of the Board of Supervisors may be convened and voting can be made by means of physical meetings, through communication devices and a combination of physical meeting and through the usage of communication devices.

**Article 168** The Board of Supervisors shall make minutes of its decisions on the matters discussed at the meeting and the Supervisors present at the meeting shall sign the minutes.

Supervisors have the right to request certain explanatory record of their speech at the meeting to be recorded in the meeting minutes. The minutes of meetings of the Board of Supervisors shall be kept as the corporate archive for a period of not less than ten years.

In voting through communication means, Supervisors shall submit their written opinion and voting intentions on the subjects being considered to the office of the Board of Supervisors through facsimile after signing the same for confirmation. Supervisors who participate in voting through communications shall submit the original of vote signed to the Board of Supervisors within the notification period of the meeting.

## **CHAPTER VIII FINANCIAL AND ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT**

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

**Article 169** The Company shall formulate its financial accounting system in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the regulations of the competent national authorities. Where the HK Listing Rules or securities regulatory authorities of the place where the Company's Shares are listed stipulate otherwise, such stipulations shall prevail.

**Article 170** The Company shall prepare its annual financial and accounting reports within four months after the end of each financial year, and its interim financial and accounting reports within two months after the end of the first half of each financial year. The aforesaid financial and accounting reports shall be prepared in accordance with relevant laws, administrative regulations, departmental rules, the HK Listing Rules and other securities regulatory rules of the places where the Company's Shares are listed.

**Article 171** The Company shall not maintain any accounting books other than the statutory accounting books. The Company's funds shall not be deposited in accounts opened in the name of any individual.

**Article 172** When distributing the profit after tax for a year, the Company shall set aside 10% of its profit after tax for the statutory reserve. No further allocations will be required when the balance of the statutory reserve reaches 50% of the registered capital of the Company.

Where the statutory reserve of the Company is insufficient to make up the losses of the Company for the preceding year, profits of the current year shall be applied to make up the losses before any allocation to the statutory reserve in accordance with the preceding paragraph.

After allocation to the statutory reserve, subject to the approval by a resolution of a General Meeting, the profit after tax may also be appropriated to discretionary reserves.

The remaining after-tax profits after making up losses and allocation of common reserve fund shall be distributed in proportion to the number of Shares held by the shareholders, unless otherwise stipulated in the Articles of Association.

If the General Meeting distributes profits to shareholders in violation of the Company Law, the shareholders shall return the profits distributed in violation of the provisions to the Company; if losses are caused to the Company, the shareholders and the liable Directors, Supervisors and senior management members shall bear the compensation liability.

The Shares of the Company owned by the Company shall not participate in the distribution of profits.

**Article 173** The Company's reserves shall be used to make up for the Company's losses, expand the Company's production and operation, or convert into increased registered capital of the Company.

When using reserves to make up for the Company's losses, the Company shall first use discretionary reserves and statutory reserves; if the losses still cannot be fully covered, capital reserves may be used in accordance with the provisions.

When converting statutory reserves into increased registered capital, the remaining amount of such reserves shall not be less than 25% of the Company's registered capital before the conversion.

**Article 174** After the profit distribution plan has been adopted at the General Meeting, the Board of the Company shall finish distributing dividends (or Shares) within two months after conclusion of the General Meeting.

**Article 175** The Company shall emphasize reasonable investment returns to shareholders and its profit distribution shall emphasize on shareholders' reasonable investment returns while facilitating the long-term development of the Company. The Company shall adopt consistent and stable profit distribution policies while complying with relevant provisions of laws and regulations. The Company may distribute dividends in the form of cash or Shares. In the event that the Company has distributable profits, the Board of the Company may make a plan for the distribution of dividends in the form of cash and/or Shares in the light of the Company's business and financial position.

## Section 2 Internal Audit

**Article 176** The Company shall implement an internal audit system, where dedicated auditing staffs carry out the internal audit and supervision over the revenue and expenditure and the economic activities of the Company.

**Article 177** The internal audit system of the Company and the duties of the auditing staffs shall be subject to the approval of the Board. The officer in charge of audit shall be accountable to the Board and report his/her work to the same.

## Section 3 Engagement of an Accounting Firm

**Article 178** The Company shall engage an accounting firm which is qualified under the provisions of the Securities Law, the HK Listing Rules and other securities regulatory rules of the places where the Company's Shares are listed, to perform audits of accounting statements, verify net assets and provide other relevant consulting services. The term of such engagement is one year and can be renewed.

**Article 179** The appointment, dismissal, or reappointment of accounting firms by the Company must be decided by more than half of the shareholders at the General Meeting, and the Board shall not appoint accounting firms before the decision of the General Meeting.

**Article 180** The Company shall ensure to provide true and complete accounting evidences, books, financial and accounting reports and other accounting data to the accounting firm it engages, without any refusal, withholding or misrepresentation.

**Article 181** The remuneration of an accounting firm or the method of determining the remuneration shall be decided by the General Meeting.

**Article 182** When the Company dismisses or does not renew the engagement of an accounting firm, a decision shall be made by the General Meeting, and prior notice shall be given to the accounting firm 15 days in advance. When the General Meeting votes on the dismissal of an accounting firm, the accounting firm shall be allowed to state its opinions.

Where an accounting firm resigns, it shall make a representation to the General Meeting as to whether the Company has any irregularity.

## CHAPTER IX NOTICES AND ANNOUNCEMENTS

### Section 1 Notices

**Article 183** The Company's notices shall be issued in the following forms:

- (I) by hand;
- (II) by post;
- (III) by email;
- (IV) by way of announcement;
- (V) by SMS or WeChat;
- (VI) by other means stipulated by laws, administrative regulations, rules, the HK Listing Rules or the Articles of Association.

**Article 184** Where a notice of the Company is issued by way of announcement, it shall be deemed to have been received by all relevant persons once it is published. Unless the context otherwise requires, "announcement" referred to in the Articles of Association, in respect of announcements issued to holders of H Shares or announcements required to be issued in Hong Kong pursuant to relevant regulations and the Articles of Association, refers to an announcement published on the Company's website, the website of the Hong Kong Stock Exchange and other websites stipulated by the HK Listing Rules from time to time in accordance with the requirements of the relevant HK Listing Rules.

With regard to the manner in which the Company provides and/or distributes corporate communications to holders of H Shares in accordance with the requirements of the HK Listing Rules, subject to compliance with the HK Listing Rules and other applicable laws and rules, the Company may also send or provide corporate communications to holders of H Shares of the Company by electronic means or by publishing information on the Company's website or the website of the Hong Kong Stock Exchange, in lieu of sending corporate communications to holders of H Shares by hand or by prepaid post.

**Article 185** The notice of a General Meeting of the Company shall be issued by way of announcement or in other manners stipulated in the Articles of Association.

**Article 186** The notice of a meeting of the Board of the Company shall be issued by hand, post, email, announcement or in other manners stipulated in the Articles of Association.

**Article 187** The notice of a meeting of the Board of Supervisors of the Company shall be issued by hand, post, email, announcement or in other manners stipulated in the Articles of Association.

**Article 188** Where a notice of the Company is issued by hand, the recipient shall sign (or affix his/her seal to) the return receipt, and the date on which the recipient signs the receipt shall be the date of service; where a notice of the Company is issued by post, the fifth working day from the date of deposit at the post office shall be the date of service; where a notice of the Company is issued by email, the date on which the email enters the email system designated by the recipient shall be deemed as the date of service; where a notice of the Company is issued by SMS or WeChat, the date of sending the message shall be the date of service; where a notice of the Company is issued by way of announcement, the date of the first publication of the announcement shall be the date of service.

**Article 189** The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.

## Section 2 Announcements

**Article 190** The Company shall issue announcements and make information disclosures to the shareholders of Domestic Unlisted Shares through newspapers and websites designated by laws, administrative regulations or relevant domestic regulatory authorities for information disclosure. If an announcement is required to be issued to H shareholders pursuant to the Articles of Association, such announcement shall at the same time be published in the designated newspapers, websites and/or the Company's website in accordance with the methods prescribed by the HK Listing Rules. All circulars or other documents required to be submitted by the Company to the Hong Kong Stock Exchange pursuant to Chapter 13 of the HK Listing Rules shall be written in English or accompanied by a certified English translation. The Board shall have the right to decide to adjust the determined media for information disclosure of the Company, provided that it shall ensure that the designated media for information disclosure meet the qualifications and conditions stipulated by relevant laws, regulations, the securities regulatory authority under the State Council, overseas regulatory authorities and the stock exchange of the place where the Company's shares are listed.

## **CHAPTER X MERGER, DIVISION, INCREASE AND DECREASE OF CAPITAL, DISSOLUTION AND LIQUIDATION**

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

**Article 191** The Company may merge by absorption or by establishment of a new company.

Merger by absorption refers to a company absorbing another company, in which the company being absorbed shall be dissolved. Merger by establishment refers to establishing a new company by merging two or more companies, whereby the merging parties shall be dissolved.

If the consideration paid for the merger does not exceed 10% of the Company's net assets, the merger may be implemented without a resolution of the General Meeting, unless otherwise specified in the Articles of Association.

If a merger is implemented without a resolution of the General Meeting in accordance with the preceding paragraph, it shall be approved by a resolution of the Board.

**Article 192** In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and a list of assets.

The Company shall notify its creditors within 10 days from the date of the resolution on merger and make an announcement in a newspaper or on the China National Enterprise Credit Information Publicity System within 30 days, and make an announcement on the website of the Hong Kong Stock Exchange and the Company's official website in accordance with the securities regulatory rules of the place where the shares of the Company are listed. Creditors shall have the right to require the Company to settle its debts or provide corresponding guarantees within 30 days from the date of receiving the notification, or within 45 days from the date of the announcement if no notification is received.

**Article 193** In the event of a merger of the Company, the claims and debts of all parties to the merger shall be succeeded by the surviving company or the newly established company after the merger.

**Article 194** In the event of a division of the Company, its assets shall be divided accordingly.

In the event of a division of the Company, a balance sheet and a list of assets shall be prepared. The Company shall notify its creditors within 10 days from the date of the resolution on division and make an announcement in a newspaper or on the China National Enterprise Credit Information Publicity System within 30 days, and make an announcement on the website of the Hong Kong Stock Exchange and the Company's official website in accordance with the securities regulatory rules of the place where the shares of the Company are listed.

**Article 195** The debts of the Company prior to the division shall be borne jointly and severally by the companies resulting from the division, unless the Company has reached a written agreement with its creditors on the settlement of debts prior to the division.

**Article 196** Where the Company needs to reduce its registered capital, it shall prepare a balance sheet and a detailed inventory of assets.

The Company shall notify its creditors within 10 days from the date of the resolution of the General Meeting on the reduction of registered capital and make an announcement in a newspaper or on the China National Enterprise Credit Information Publicity System within 30 days, and make an announcement on the website of the Hong Kong Stock Exchange and the Company's official website in accordance with the securities regulatory rules of the place where the shares of the Company are listed. Creditors shall have the right, within 30 days from the date of receipt of the notice, or within 45 days from the date of the announcement if no notice is received, to require the Company to settle its debts or provide corresponding guarantees.

When reducing its registered capital, the Company shall reduce the shares proportionally according to the proportion of shares held by shareholders, unless otherwise specified by law or the Articles of Association.

**Article 197** If the Company still has losses after making up for losses in accordance with the provisions of paragraph 2 of Article 172 of the Articles of Association, it may reduce its registered capital to make up for the losses. Where the registered capital is reduced to make up for losses, the Company shall not make distributions to shareholders, nor shall it release the shareholders from their obligation to pay capital contributions or share monies.

Where the Company reduces its registered capital in accordance with the provisions of the preceding paragraph, the provisions of paragraph 2 of the preceding Article of the Articles of Association shall not apply; however, it shall make an announcement in a newspaper or on the China National Enterprise Credit Information Publicity System within 30 days from the date of the resolution of the General Meeting on the reduction of registered capital, and make an announcement on the website of the Hong Kong Stock Exchange and the Company's official website in accordance with the securities regulatory rules of the place where the shares of the Company are listed.

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

**Article 198** Where the registered capital is reduced in violation of laws, regulations or the relevant provisions of the Articles of Association, the shareholders shall return the funds received, and where the shareholders' capital contribution is reduced or exempted, it shall be restored to the original state; where losses are caused to the Company, the shareholders and the responsible Directors, Supervisors and senior management members shall bear the liability for compensation.

**Article 199** Where the registered particulars of the Company change as a result of merger or division, the registration of change shall be handled with the companies registration authorities in accordance with the law; where the Company is dissolved, the registration of cancellation of the Company shall be handled in accordance with the law; where a new company is established, the registration of establishment of the company shall be handled in accordance with the law.

Any increase or decrease in the registered capital of the Company shall be registered with the company registration authorities in accordance with the laws.

## Section 2 Dissolution and Liquidation

**Article 200** The Company shall be dissolved for the following reasons:

- (I) expiry of the valid term of the business or the occurrence of other events of dissolution as stated in the Articles of Association;
- (II) resolution of dissolution adopted by the General Meeting;
- (III) dissolution is necessary due to a merger or division of the Company;
- (IV) the Company is revoked of business license, ordered to close or canceled according to law;
- (V) serious difficulties arise in the operation and management of the Company and its continued existence would cause material losses to the interests of the shareholders, and such difficulties cannot be resolved through other means, in which case shareholders holding more than 10% of the total voting rights of all shareholders of the Company may request the People's Court to dissolve the Company.
- (VI) the Company is dissolved by the People's Court in accordance with the provisions of the preceding Article.

Where a cause for dissolution specified in the preceding paragraph occurs, the Company shall publicize the cause for dissolution through the China National Enterprise Credit Information Publicity System within 10 days.

**Article 201** Where the circumstances specified in item (I) or item (II) of paragraph 1 of the preceding Article arise, and the Company has not yet distributed its property to shareholders, the Company may continue to exist by amending the Articles of Association or by a resolution of the General Meeting.

Amendments to the Articles of Association or a resolution of the General Meeting in accordance with the provisions of the preceding paragraph shall require the approval of more than two-thirds of the voting rights held by the shareholders attending the General Meeting.

**Article 202** If the Company is dissolved due to the circumstances specified in items (I), (II), (IV), and (V) of Article 200 of the Articles of Association, it shall be liquidated. Directors shall be the liquidation obligors of the Company and shall form a liquidation group to conduct liquidation within 15 days from the date on which the dissolution reason arises. The liquidation group shall be composed of Directors, unless otherwise specified in the Articles of Association or decided otherwise by a resolution of the General Meeting. If the liquidation obligors fail to perform their liquidation obligations in a timely manner and cause losses to the Company or its creditors, they shall bear compensation liability.

If a liquidation group is not established within the prescribed period to conduct the liquidation, or if a liquidation group is established but fails to carry out the liquidation, the interested parties may apply to the People's Court to designate relevant personnel to form a liquidation group to conduct the liquidation.

**Article 203** The liquidation group shall exercise the following powers during the liquidation period:

- (I) to dispose of the property of the Company, and to prepare a balance sheet and a list of assets;
- (II) to inform creditors by notice and public announcement;
- (III) to dispose of continuing business of the Company relating to the liquidation;
- (IV) to pay all taxes due and payable during the liquidation process;
- (V) to settle claims and debts;
- (VI) to distribute the remaining assets of the Company after settling its debts;
- (VII) to represent the Company in civil actions.

**Article 204** The liquidation group shall notify creditors within 10 days from the date of its establishment, and make an announcement in a newspaper or on the China National Enterprise Credit Information Publicity System within 60 days, and make an announcement on the website of the Hong Kong Stock Exchange and the Company's official website in accordance with the securities regulatory rules of the place where the shares of the Company are listed. Creditors shall declare their creditors' rights to the liquidation group within 30 days from the date of receipt of the notice, or within 45 days from the date of the announcement if no notice is received.

The creditor shall provide a description and supporting evidence of the matters relating to their rights. The liquidation group shall register the creditors' rights.

During the claim declaration period, the liquidation group shall not settle debts to creditors.

**Article 205** After sorting out the Company's assets, preparing a balance sheet and a detailed inventory of assets, the liquidation group shall formulate a liquidation plan and submit it to the General Meeting or the People's Court for confirmation.

The remaining property of the Company after payment of liquidation expenses, staff wages, social insurance expenses and statutory compensation, payment of outstanding taxes, and settlement of the Company's debts shall be distributed by the Company to shareholders in proportion to the shares held by them.

During the liquidation period, the Company shall continue to exist but shall not engage in any business activities unrelated to liquidation.

The Company's assets shall not be distributed to shareholders until they have been used to settle debts in accordance with the preceding provisions.

**Article 206** If the liquidation group, after sorting out the Company's assets, preparing a balance sheet and a detailed inventory of assets, finds that the Company's assets are insufficient to settle its debts, it shall apply to the People's Court for bankruptcy liquidation in accordance with the law.

**Article 207** After the People's Court accepts the bankruptcy application; the liquidation group shall transfer the liquidation matters to the bankruptcy administrator designated by the People's Court. After the completion of liquidation, the liquidation group shall prepare a liquidation report, submit it to the General Meeting or the People's Court for confirmation, and submit it to the company registration authority to apply for cancellation of the Company's registration.

**Article 208** Members of the liquidation group shall owe fiduciary duties of loyalty and diligence when performing their liquidation duties.

If a member of the liquidation group is negligent in performing his/her liquidation duties and causes losses to the Company, he/she shall bear compensation liability; if he/she causes losses to creditors due to intent or gross negligence, he/she shall bear compensation liability.

**Article 209** Liquidation of the Company declared bankrupt in accordance with the laws shall be processed in accordance with the laws of corporate bankruptcy.

## CHAPTER XI AMENDMENTS TO THE ARTICLES OF ASSOCIATION

**Article 210** The Company shall amend the Articles of Association under any of the following circumstances:

- (I) after the Company Law or relevant laws, administrative regulations, or securities regulatory rules of the place where the shares of the Company are listed are amended, the matters stipulated in the Articles of Association are in conflict with the provisions of the amended laws, administrative regulations, or securities regulatory rules of the place where the shares of the Company are listed;
- (II) there are changes in the particulars of the Company which are inconsistent with that set out in the Articles of Association;
- (III) the General Meeting decides to amend the Articles of Association.

**Article 211** Amendments of the matters of the Articles of Association adopted by a resolution of the General Meeting which are subject to approvals from relevant competent authority shall be submitted to the such competent authority for approval; if there is any change relating to the registered particulars of the Company, application shall be made for change in registration in accordance with the law.

**Article 212** The Board shall amend the Articles of Association in accordance with the resolution of the General Meeting on amending the Articles of Association and the approval opinions of the relevant competent authorities.

**Article 213** If amendments to the Articles of Association constitute information required to be disclosed by laws, regulations, or securities regulatory rules of the place where the shares of the Company are listed, announcements shall be made in accordance with the regulations.

## CHAPTER XII SUPPLEMENTARY PROVISIONS

### Article 214 Interpretation

- (I) “Controlling shareholder” refers to a shareholder or other person (one person or a group of persons) who is entitled to exercise or control the exercise of 30% (or such other percentage as may be prescribed by applicable PRC laws from time to time as the trigger for a mandatory general offer or for establishing legal or management control over an enterprise) or more than 30% of the voting rights at the General Meeting of the Company; or a shareholder or other person (one person or a group of persons) who is capable of controlling the majority of the members of the Board of the Company; or other persons stipulated by relevant laws, administrative regulations or securities regulatory rules of the place where the shares of the Company are listed.

- (II) “De facto controller” refers to a natural person, legal person or other organization that is not a shareholder of the Company but is able to actually dominate the acts of the Company through investment relationships, agreements or other arrangements.
- (III) “Connected transaction”, “connected person”, “connected relationship” and “close associate” shall have the meanings ascribed to them in the HK Listing Rules.
- (IV) “Overseas investor” refers to an investor from a foreign country or from the Hong Kong Special Administrative Region, the Macao Special Administrative Region or the Taiwan region of the People’s Republic of China who subscribes for shares issued by the Company.

**Article 215** The Board may formulate by-laws in accordance with the provisions of the Articles of Association, provided that such by-laws shall not be in violation of the Articles of Association.

**Article 216** The Articles of Association are written in Chinese. In case of any inconsistency between the Articles and the Articles of Association in any other language or of different version, the latest Chinese version of the Articles of Association registered with the company registration authority shall prevail.

**Article 217** The terms “above”, “within”, “below” as mentioned in the Articles of Association shall include the given figures; the terms “less than”, “outside”, “lower than”, “more than”, “exceeding”, “over” shall not include the given figures.

**Article 218** Where the provisions of the Articles of Association are inconsistent with laws, regulations, rules, the HK 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 HK Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed shall prevail.

**Article 219** The Board shall be responsible for the interpretation of the Articles of Association.

**Article 220** The attachment hereof shall include the rules of procedure for the General Meeting, the rules of procedure for the Board and the rules of procedure for the Board of Supervisors.

**Article 221** Where there are provisions by the state governing preference shares, such provisions shall prevail.

**Article 222** The Articles of Association are passed by a special resolution of the General Meeting of the Company and shall take effect and be implemented as of the date on which the H shares publicly offered by the Company are listed for trading at the Main Board of the Hong Kong Stock Exchange. The original Articles of Association of the Company shall be automatically invalidated as of the date when the Articles of Association take effect.