

**Tianjin Tianbao Energy Co., Ltd.**

**Articles of Association**

**(amended by the 2023 annual general meeting of the Company  
convened on June 7, 2024)**

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## CHAPTER 1 GENERAL PROVISIONS

**Article 1** These Articles of Association (“Articles”) are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law Provisions of the People’s Republic of China (the “Securities Law”), the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies, the Guidelines for Articles of Association of Listed Companies, Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and other relevant regulations, for the purpose of protecting the legitimate rights and interests of Tianjin Tianbao Energy Corporation Limited (the “Company”), its shareholders and creditors, and regulating the organization and activities of the Company.

**Article 2** The Company is a joint stock limited company duly incorporated in accordance with the Company Law and other relevant laws, administrative regulations or normative documents of the People’s Republic of China (the “PRC”).

The Company was approved to be converted into a joint stock company with limited liability which is promoted and established by the former Tianjin Tianbao Electricity Company Limited (hereinafter referred to as the “Tianbao Electricity”) pursuant to the Tianjin Port Free Trade Zone Administrative Committee’s Approval on the Conversion of Tianjin Tianbao Electricity Company Limited into Tianjin Tianbao Energy Company Limited and the related matters on the State-owned Shares Management Plan (Jinbao Guanpi [2017] No.3)《天津港保稅區管理委員會關於對天津天保電力有限公司整體變更為天津天保能源股份有限公司及國有股權管理方案相關事項的批覆》(津保管批[2017]3號)). Using the audited net asset of RMB177,847,549.41 as at November 30, 2016 as the basis, Tianbao Electricity converted into ordinary shares of 115,600,907.00 shares with a par value of RMB1 per share on a 65% basis and it was converted into a joint stock company with limited liability of which its establishment was promoted. The Company was registered with the Market and Quality Supervision Administration Bureau of Tianjin Free Trade Experimental Zone on February 28, 2017 and obtained its business license. The unified social credit code of the business license of the Company: 9112011610310702XW.

There are two promoters of the Company. Both are legal shareholders, namely Tianjin Tianbao Holdings Limited and Tianjin Free Trade Zone Investment Company Limited.

**Article 3** Registered Chinese name of the Company: 天津天保能源股份有限公司

Registered English name of the Company: Tianjin Tianbao Energy Co., Ltd.

**Article 4** Address of the registered office of the Company: No. 35 Haibinba Road, Tianjin Pilot Free Trade Zone (Tianjin Port Free Trade Zone)  
Postal Code: 300461

**Article 5** The registered capital of the Company is RMB159,920,907.

**Article 6** The legal representative of the Company shall be the chairman of the board of directors.

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

**Article 8** The capital of the Company shall be divided into shares and each share shall have equal value. The respective liability of the shareholders shall be limited to the shares held by them. The Company shall be held liable for its debts with all its assets.

**Article 9** From the effective date onwards, these Articles of Association shall become a legally-binding document which regulates the Company's organization and acts, the rights and obligations between the Company and shareholders and amongst the shareholders. According to these Articles of Association, one shareholder may sue the other shareholders, and the shareholders may sue the Company's directors, supervisors, managers and other senior management. The shareholders may sue the Company. The Company may sue the shareholders.

The actions referred to in the preceding paragraph include court proceedings and arbitration proceedings.

**Article 10** The term "other senior management" in these Articles of Association refers to the deputy general manager(s), financial controller, secretary to the Board and other personnel expressly appointed by the Board as the Company's senior management.

**Article 11** According to the Constitution of the Communist Party of China, the Company shall establish the organization of the Communist Party of China, set up an institution of the Party and equip the staffs with the party affairs. The institutional structure and headcounts of the Party organization shall be incorporated into those of the Company. The Party Committee shall demonstrate leadership and political guidance by offering direction, overseeing the overall situation and ensuring the implementation of the objectives of the Party.

## **CHAPTER 2 PURPOSES AND SCOPE OF BUSINESS**

**Article 12** The business purpose of the Company is as follows: Operating lawfully and in standardized manner, providing good return to shareholders of the company, offering quality services to customers and contributing to the development of the PRC power industry in compliance with the Company Law and relevant rules of other laws and regulations.

**Article 13** As registered in accordance with the laws, the business scope of the Company is as follows: the operation and management of the power systems of Free Trade Zone, the installation, repair, maintenance and trials of electrical distribution equipment and electrical lines; electricity transmission and distribution engineering and lighting engineering; technology consulting, operation of electrical equipment and accessories as well as related trade; private telephone business in the regions; data, text and images delivery service; the automation of communication, electronics and office, the installation and construction of automatic control engineering; sales of electronic devices, the repair of electronic equipment; information services consultation; bonded storage business; operation and management of electricity distribution equipment; sales of electricity; the development and construction of, and consultation regarding, service and transfer of new energy and distributed energy; the construction and daily operation and management of heating, cooling, steam, generating facilities as well as sales of related products, technology consulting, installation, testing and repair of equipment, implementation of engineering design; the undertaking of the operation of boilers; contractual energy management, energy-saving management services, sales of charging motor vehicles, operation of electric vehicle charging infrastructure, and wind power technology services (Businesses that require pre-approvals according to laws and regulations can only be conducted after obtaining approvals from the relevant authorities).

The aforesaid scope of business shall be subject to the items approved by the competent ministry for market regulation.

## CHAPTER 3 SHARES, REGISTERED CAPITAL AND TRANSFER OF SHARES

### Section 1 Issue of Shares

**Article 14** The Company shall have ordinary shares at all times. It may have other classes of shares as needed, upon approval by the authorities authorized by the State Council.

**Article 15** The Company's shares shall be in the form of share certificates.

All the shares issued by the Company shall have a par value which shall be RMB1 for each share.

The RMB mentioned in the preceding paragraph refers to the lawful currency of the PRC.

**Article 16** Company shares shall be issued based on the principles of openness, fairness and justice. Shares of the same class shall carry equal rights.

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

**Article 17** The Company may issue shares to investors inside the PRC and investors outside the PRC in accordance with the law, and shall file with the securities regulatory authorities under the State Council according to applicable requirements.

For the purpose of the preceding paragraph, the term "investors outside the PRC" shall refer to investors from foreign countries or Hong Kong, Macao or Taiwan that subscribe for shares issued by the Company. The term "investors inside the PRC" shall refer to investors inside the PRC, excluding the above-mentioned regions, that subscribe for the shares issued by the Company.

**Article 18** The shares issued by the Company to investors inside the PRC for subscription in Renminbi shall be referred to as domestic shares. The shares issued by the Company to investors outside the PRC for subscription in foreign currency shall be referred to as foreign shares. The foreign shares that are listed overseas shall be referred to as overseas-listed foreign shares. The foreign shares that are non-listed overseas shall be referred to as unlisted foreign shares. Domestic shares and unlisted foreign shares shall be collectively referred to as unlisted shares. A holder of unlisted shares and a holder of overseas-listed foreign shares are both holders of ordinary shares and shall have the same obligations and rights.

The term "foreign currency" in the preceding paragraph shall refer to the lawful currency freely convertible in other countries or regions (other than RMB), which is recognized by state foreign exchange authority and acceptable to pay for the shares.

Unlisted shares that can be listed and traded overseas filed by the securities regulatory authority under the State Council and overseas-listed foreign shares shall be collectively referred to as overseas-listed shares, among which the shares which are listed on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Stock Exchange"), the par value is denominated in Renminbi and

subscribed for and/or traded in Hong Kong dollars, i.e. overseas-listed shares issued by the Company on Hong Kong Stock Exchange, shall be referred to as H shares.

Unless otherwise provided in the applicable laws and regulations within and outside of the PRC or the rules of the place where the shares are listed, the listing and trading of all or part of shares held by holders of unlisted shares on overseas stock exchange(s) are not subject to the approval of a shareholders' meeting or a class meeting for voting, but subject to the filing with the securities regulatory authority under the State Council and have to be compliant with the regulatory procedures, regulations and requirements of the overseas securities market(s).

The class of unlisted shares which have been filed for listing and trading overseas shall be converted into overseas-listed shares from the date of overseas listing, the class of which shall be the same as the overseas-listed foreign shares.

**Article 19** As reviewed and approved by the authorities authorized by the State Council, 115,600,907 ordinary shares were issued to the promoters of the Company upon establishment of the Company. The names of promoters, the number of shares subscribed, methods and time of contribution of promoters are set out as follows:

Name of promoter	Number of shares subscribed for <i>(in ten thousand)</i>	Percentage of shareholding	Methods of contribution	Time of contribution
Tianjin T&B Holding Co., Ltd.	10,960.6538	94.8146%	net asset	28 February 2017
Tianjin Port Free Trade Zone Investment Co., Ltd.	599.4369	5.1854%	net asset	28 February 2017
Total	11,560.0907	100.0000%	-	-

**Article 20** Upon approval by the securities regulatory authorities under the State Council, the Company issued 44,320,000 overseas-listed foreign invested shares, which accounted for 27.7137% of the total number of ordinary shares issued by the Company, and was listed on the Hong Kong Stock Exchange on April 27, 2018.

Upon completion of the issuance of overseas-listed foreign shares mentioned hereinabove, the shareholding structure of the Company is: 159,920,907 ordinary shares, of which promoters Tianjin T&B Holding Co., Ltd. and Tianjin Port Free Trade Zone Investment Co., Ltd. hold 109,606,538 shares and 5,994,369 shares respectively and overseas shareholder hold 44,320,000 shares.

Upon approval by the securities regulatory authorities under the State Council, promoters of the Company Tianjin T&B Holding Co., Ltd. and Tianjin Port Free Trade Zone Investment Co., Ltd. converted all their 115,600,907 domestic shares into overseas-listed shares. On July 29, 2020, all the aforesaid 115,600,907 domestic

shares were converted into overseas-listed shares and were listed on the Hong Kong Stock Exchange.

Upon completion of the aforesaid conversion of domestic shares into overseas-listed shares, the shareholding structure of the Company is: 159,920,907 ordinary shares in issue in total, which are all overseas-listed shares.

**Article 21** The domestic shares issued by the Company are centrally deposited at the China Securities Depository and Clearing Corporation Limited. The overseas-listed shares of the Company are mainly under the central depository's custody, which belongs to Hong Kong Securities Clearing Company Limited and may also be held by shareholder in individual names.

**Article 22** Regarding the plans for issuing domestic shares and overseas-listed foreign shares, the Company's Board may arrange for implementation of such plans by means of separate issuances.

**Article 23** Where the Company issues overseas-listed foreign shares and domestic shares separately within the total number of shares specified in the issuance plans, such shares shall be fully subscribed in one single issuance. Where special circumstances make it impossible for every such single issuance to be fully subscribed, the shares may be issued in tranches.

**Article 24** Neither the Company nor any of its subsidiaries (including its affiliates) shall provide any financial assistance in the form of grants, advances, guarantees, indemnities, or loans to persons purchasing or proposing to purchase the Company's shares.

## **Section 2 Transfer of Shares**

**Article 25** Unless otherwise stipulated in the laws, administrative regulations, listing rules of the place(s) in which the shares of the Company are listed, or these Articles of Association, the shares of the Company may be freely transferred according to the laws. The transfer of shares of the Company shall be registered with registration agency appointed by the Company.

**Article 26** The Company shall not accept its shares as the subject of a pledge.

**Article 27** The shares of the Company held by the promoters shall not be transferred within one year from the date of establishment of the Company. The shares issued before the Company's public offering shall not be transferred within one year from the date after the shares of the Company are listed and traded in a stock exchange.

The directors, supervisors and senior management of the Company shall report to the Company the shares held by them and the changes thereof. During the term of their office, the shares transferred by any of them each year shall not exceed 25% of the total shares of the Company that he holds. The shares of the Company held by the aforesaid persons shall not be transferred within one year from the date when the shares of the Company are listed and traded in a stock exchange. If any of the aforesaid persons leaves from his post, he shall not transfer the shares of the Company that he holds within half a year from such departure. If listing rules of the stock exchange of the place(s) in which the shares of the Company are listed provide otherwise on restrictions on transfers of overseas-listed shares, such rules shall prevail.

**Article 28** If a director, supervisor or senior management of the Company, or a shareholder holding more than 5% of the shares sells the shares of the Company or other securities with the nature of equity within six months after buying those shares, or buys the shares within six months after selling those shares, all the gains arising thereof shall belong to the Company, and such gains shall be collected by the Board of the Company. But, the following circumstances shall be excluded where a securities company underwrites unsold shares, thereby holding more than 5% of the shares or where the provisions of the CSRC are applicable. If listing rules of the stock exchange of the place(s) in which the shares of the Company are listed provide otherwise on restrictions on transfers of overseas-listed shares, such rules shall prevail.

The shares or other securities with an equity nature held by directors, supervisors, senior officers and natural person shareholders as mentioned in the preceding paragraph shall include the shares or other securities with an equity nature held by their spouses, parents, children, and those held in the accounts of others.

If the Company's Board does not execute in compliance with the paragraph 1 of this Article, the shareholders can request the Board to do so within 30 days. If the Board does not enforce such right within the aforesaid period, the shareholders are entitled to commence litigations in court in their own names for the interest of the Company.

If the Company's Board does not execute in compliance with the first paragraph, the director(s) liable shall assume joint and several responsibilities pursuant to laws.

### **Section 3 Increase, Reduction and Repurchases Of Shares**

**Article 29** According to operational and development needs, the Company may, according to the laws and regulations and respective resolutions of general meetings, increase stock capital by adopting the following means:

- (I) Public offering of shares;
- (II) Non-public offering of shares;
- (III) Giving bonus shares to existing shareholders;
- (IV) Converting the reserve funds into share capital;
- (V) Other means prescribed by the laws, administrative regulations or approved by the relevant regulatory authorities.

Increasing stock capital by the Company through issuance of new shares shall be carried out in accordance with the procedures specified in relevant State laws, administrative regulations as well as the governing rules which prevail in the place where the shares are listed, after having been approved in accordance with these Articles of Association.

**Article 30** The Company may reduce its registered capital. If the Company reduces its registered capital, such reduction shall be in accordance with the requirements of the Company Law, other related regulations and these Articles of Association.

**Article 31** The Company shall not purchase its own shares. However, exceptions are made in any of the following cases:

- (I) Reduction of the Company's registered capital;
- (II) Merger with another company holding shares in the Company;
- (III) Usage of the shares for the employee stock ownership plan or as share incentive;
- (IV) Acquisition of shares held by shareholders (upon their request) who dissent from any resolution proposed in any general meeting on the merger or division of the Company;
- (V) Usage of the shares to satisfy the conversion of corporate bonds convertible into shares issued by the Company;
- (VI) Safeguarding corporate value and shareholders' equity as the Company deems necessary.

**Article 32** To acquire its own shares, the Company may acquire its own shares through open centralized trading or other methods recognized by laws, administrative regulations and relevant regulatory authorities.

Where the Company acquires its shares under the circumstances set out in item (III), (V) or (VI) of paragraph 1 of Article 31 hereof, the acquisition shall be conducted through open centralized trading.

**Article 33** The acquisition of its shares by the Company as prescribed by Items (I) and (II) of Article 31 hereof shall be subject to the resolution at the general meeting; the acquisition of its shares by the Company as prescribed by Items (III), (V) and (VI) of Article 31 thereof shall be resolved by more than two-thirds of the directors present at a board meeting in accordance with the regulation of the Articles of Association or authorization by the general meeting.

Upon the acquisition of its shares by the Company pursuant to the provisions under paragraph 1 of Article 31 hereof, under the circumstance set forth in Item (I), the shares so purchased shall be cancelled within 10 days after the said acquisition; under the circumstances set forth in Items (II) and (IV), the shares shall be transferred or cancelled within six months; where the Company acquires its shares pursuant to Items (III), (V) and (VI), the total shares held by the Company shall not exceed 10% of the total shares issued by the Company and such shares shall be transferred or cancelled within three years.

## **CHAPTER 4 SHAREHOLDERS AND GENERAL MEETING**

### **Section 1 Shareholders**

**Article 34** The Company shall establish a register of shareholders in accordance with evidence from the securities registration organization. The register of shareholders is the

conclusive evidence of shareholders' holding of the Company's shares. The shareholders shall enjoy the rights and assume the obligations according to the class of the shares they hold. The shareholders holding the same class of shares shall enjoy the equal rights and assume the equal obligations.

If at any time the share capital of the Company are divided into different classes of shares, shareholders who hold different classes of shares shall be class shareholders. If the Company intends to change or abrogate the rights of class shareholders, it may do so only after such change or abrogation has been approved by way of special resolution at a separate general meeting convened by the affected shareholders of that class in accordance with the regulations of the stock exchange where the Company's shares are listed.

**Article 35** When the Company convenes a general meeting, distributes dividends, executes clearing or makes other conducts that need to identify the shareholders, the Board or the convener of the general meeting shall determine the record date. Shareholders included in the register of shareholders after the close of business on the record date shall be the entitled shareholders.

**Article 36** Transfer of shares shall be recorded in the register of members. The Company may, pursuant to an understanding or agreement reached between the securities regulatory authorities under the State Council and a securities regulatory organization outside the PRC, keep outside the PRC its original register of holders of overseas-listed shares, and entrust the administration thereof to an agent outside the PRC. The original register of public shareholders of H shares shall be kept in Hong Kong. The register of public shareholders of H shares must be available for inspection by shareholders. However, the Company may suspend the registration of shareholders in accordance with section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

The Company shall keep at its domicile a duplicate of the register of holders of overseas-listed shares. The appointed agency outside the PRC shall ensure that the register of holders of overseas-listed shares and its duplicate are consistent at all times.

Where the original and duplicate of the register of holders of overseas-listed shares are inconsistent, the original shall prevail.

**Article 37** Any shareholder who is registered in the register of shareholders or requires his name to be registered in the register of shareholders may apply to the Company for a replacement certificate in respect of such shares (the "Relevant Shares") if his share certificate (the "Original Share Certificate") is lost.

Applications for the replacement of unlisted share certificates shall be dealt with in accordance with the relevant provisions of the Company Law or other applicable laws and regulations.

Applications for the replacement of overseas-listed share certificates shall be dealt with in accordance with the law, regulations, rules of stock exchanges and other relevant regulations of the place where the original register of holders of overseas-listed shares is kept.

**Article 38** The Company's shareholders are persons who lawfully hold shares of the Company and whose names have been registered in the register of shareholders.

Shareholders of every class shall enjoy equal rights in the distribution of dividend or distribution in any other form. Where a shareholder of the Company is a legal person, his legal representative or the nominee of his legal representative shall exercise, on behalf of him, his rights.

Where two or more persons registered as joint shareholders of any share, they shall be deemed as joint holders of the relevant share, and shall be subject to the following terms:

- (I) The Company needs not register more than four persons as joint shareholders for any share;
- (II) All joint shareholders of any share shall bear the joint liabilities for all the payable amount of the relevant share.

In the circumstance of joint shareholders:

- (I) In case of death of one of the joint shareholders, only the other surviving joint shareholder(s) shall be deemed by the Company as owner of the shares, but for the purpose of revising the register of shareholder, the Board shall be entitled to demand the surviving joint shareholder(s) to provide a death certificate as the Board thinks fit.
- (II) For joint shareholders of any share, the person whose name stands first in the register of shareholders shall be entitled to receive share certificate of the relevant share, receive notice from the Company, and the service of notice to the aforesaid person shall be deemed as service of notice to all joint shareholders. Any of the joint shareholders may sign a proxy form; provided, however, where the number of the joint shareholders presenting in person or by proxy at a meeting is more than one, the vote cast, no matter in person or by proxy, by the shareholder whose name appears in prior sequence shall be regarded as the sole and exclusive vote on behalf of the rest joint shareholders. For the purpose of such voting, the shareholder's priority shall be determined in accordance with the sequence of the joint shareholders holding Relevant Shares as prescribed in the Company's register of shareholders.

Where one of the joint shareholders delivers a receipt to the Company as regards to any dividends, bonus or return of capital which shall be distributed to such joint shareholders, such receipt shall be deemed as a valid receipt from such joint shareholders to the Company.

**Article 39** Shareholders of the Company shall enjoy the following rights:

- (I) To receive dividends and profit distributions in other forms according to the number of shares held by them;
- (II) To request, convene, host, participate in or appoint proxy to attend general meeting and exercise corresponding right to speak and vote in accordance with the law;
- (III) To supervise and manage, make suggestions or question the Company's operation;

- (IV) To transfer, donate or pledge shares in his/her possession in accordance with the law, administrative regulations, listing rules of the stock exchange of the place(s) in which the shares of the Company are listed, as well as provisions of these Articles of Association;
- (V) To consult and make a copy after payment of reasonable charges of these Articles of Association, the register of shareholders, the Company's bond stubs, minutes of general meetings, resolutions of the Board meetings and meetings of the board of supervisors, and financial reports;
- (VI) When the Company terminates or liquidates, its share of remaining assets of the Company according to the shares held will be distributed;
- (VII) If a shareholder dissents from the merger or division of the Company at a general meeting, he may request the Company to acquire his shares;
- (VIII) Other rights under the law, administrative regulations, departmental regulations and these Articles of Association.

The Company shall not exercise power only because any person who directly or indirectly owns equity interest does not disclose its equity interest to the Company to frozen or by other means to damage any rights attached to the shares of the person.

**Article 40** If any shareholder requests for access to the information or ask for documents prescribed in the preceding Article, he shall first provide written proof to certify the class and number of Company's shares he holds. The Company shall provide the requested documents after verification of the identity of such shareholder and may reasonably charge for photocopies of the documents.

**Article 41** If a resolution of the Company's general meeting or Board meeting contravenes the law or administrative regulations, the shareholders are entitled to request the court to annul the decision.

If the convening procedure or voting method of a general meeting or Board meeting contravenes the law, administrative regulations or these Articles of Association, or if the contents of the resolutions of such meetings contravene these Articles of Association, the shareholders are entitled to request the court to revoke the resolutions within 60 days of the resolutions.

**Article 42** If a director or senior management contravenes the law, administrative regulations or these Articles of Association when carrying out his duties resulting in losses to the Company, shareholders individually or collectively holding 1% or more of the shares for 180 days consecutively are entitled to request the board of supervisors in writing to commence litigation in the court. If the board of supervisors contravenes the law, administrative regulations or these Articles of Association when carrying out its duties resulting in losses to the Company, the shareholders are entitled to request the Board in writing to commence litigation in the court.

If the board of supervisors or the Board refuses to commence litigation upon receipt of the shareholder's written request stipulated under the preceding paragraph, or does not commence litigation within 30 days upon receipt of the request, or the situation

is so urgent that it will cause irreparable losses to the Company if an immediate litigation is not commenced, the shareholders so stipulated under the previous paragraph are entitled to commence litigation directly at the court under their own names for the interests of the Company.

If any person intervenes with the lawful interests of the Company resulting in losses to the Company, a shareholder stipulated under the first paragraph is entitled to commence litigation at the court in accordance with the two preceding paragraphs.

**Article 43** If a director or senior management contravenes the law, administrative regulations or these Articles of Association, thereby damaging shareholders' interests, the shareholders can commence litigation in the court.

**Article 44** Holders of the Company shall have the following obligations:

- (I) Comply with the law, administrative regulations and these Articles of Association;
- (II) Pay for the shares based on the shares subscribed and the method of subscription;
- (III) Cannot redeem shares except as prescribed by the law or regulations;
- (IV) Cannot abuse the rights as a shareholder to damage the Company's or other shareholders' interests; cannot abuse the independent status of a legal person of the Company and the limited liability of the shareholders to damage the interests of creditors;
- (V) Other obligations which shall be borne as required by the law, administrative regulations and these Articles of Association.

A shareholder who abuses his shareholders' rights resulting in losses to the Company and other shareholders shall bear the responsibilities for compensation according to the law. Shareholders who abuse the independent status of a legal person of the Company and limited liability of shareholders in order to escape from debts, thereby seriously damaging the interests of creditors of the Company shall jointly be responsible for the Company's debts.

**Article 45** Shareholders who hold shares with voting rights of the Company as to over 5% and pledge their shares shall submit a written report to the Company on the day when the pledge occurs.

**Article 46** The controlling shareholder or de facto controller of the Company shall not use his connected relationship to damage the Company's interests. In case of a breach resulting in damage to the Company, he shall be liable for compensation.

The controlling shareholder and de facto controller of the Company have fiduciary duties towards the Company and public shareholders. The controlling shareholder shall strictly exercise his rights as a capital contributor in compliance with the law. The controlling shareholder shall not make use of its position to damage the lawful interests of the Company and public shareholders in the distribution of profits, restructuring of assets, foreign investment, misappropriation of assets, borrowing or loan guarantee, and shall not make use of his controlling position to damage the interests of the Company and public shareholders.

## Section 2 General Provisions on General Meeting

**Article 47** The general meeting shall be the organ of authority of the Company and shall exercise the following functions and powers according to law:

- (I) Decide the operational policy and investment plan of the Company;
- (II) Elect and replace directors and supervisors who are not staff representatives. Make decisions on matters in relation to the remuneration of the relevant directors and supervisors;
- (III) Review and approve the reports of the Board;
- (IV) Review and approve the reports of the board of supervisors;
- (V) Review and approve the annual financial budgets and final accounting of the Company;
- (VI) Review and approve the profit distribution plan and loss compensation plan of the Company;
- (VII) Pass resolutions on increasing or reducing the registered capital of the Company;
- (VIII) Pass resolutions on merger, division, winding up, liquidation or changing the form of the Company;
- (IX) Pass resolutions on the issuance of corporate bonds or other securities and listing plan;
- (X) Pass resolutions on the appointment, reappointment or non-reappointment or dismissal of accounting firms and their service fees by the Company;
- (XI) Amend these Articles of Association;
- (XII) Review and approve the external guarantee issues which shall be reviewed at the general meeting as prescribed in Article 48 of these Articles of Association;
- (XIII) Review purchases and sales of significant assets within a year exceeding 30% of the latest audited total assets of the Company;
- (XIV) Review and approve the changes of use of proceeds;
- (XV) Review share incentive plans;
- (XVI) Review other matters to be resolved at the general meeting as required by the law, administrative regulations, department regulations, listing rules of the stock exchange of the place(s) in which the shares of the Company are listed or as prescribed by these Articles of Association.

**Article 48** The following external guarantees of the Company shall be reviewed and passed at the general meeting:

- (I) Any guarantee in addition to the aggregate of external guarantees provided by the Company and its holding subsidiary with a total amount more than 50% of the Company's latest audited net assets;
- (II) Any guarantee in addition to the aggregate of external guarantees provided by the Company with a total amount more than 30% of the Company's latest audited total assets;
- (III) Any guarantee provided by the Company within a year with an amount more than 30% of the Company's latest audited total assets;
- (IV) To provide guarantee to entities with more than 70% debt asset ratio;
- (V) A single guarantee whose amount exceeds 10% of the latest audited net assets;
- (VI) To provide guarantee for shareholders, de facto controller and their connected parties;
- (VII) Other guarantees which shall be passed at the general meeting as prescribed by the local stock exchange where the Company's shares are listed and these Articles of Association.

The term "external guarantee" refers to the guarantee provided by the Company to others, including guarantee provided to any of its controlling subsidiary. The term "total amount of external guarantee of the Company and its holding subsidiary" refers to the sum of total amount of the Company's external guarantee (including the Company's guarantee to its holding subsidiary) and the external guarantee provided by the Company's holding subsidiary.

When the general meeting is considering a resolution to provide guarantee for any shareholder, de facto controller or their connected parties, the said shareholder or the shareholders controlled by the said de facto controller shall abstain from voting on the resolution, and the resolution shall be subject to approval by more than half of the voting rights held by the other shareholders attending the general meeting.

If the directors, general manager and other personnel of the Company fail to follow the approval procedures stipulated in the Articles of Association in entering in to external guarantee contracts without authorization, they shall be held accountable, and if any damage or loss is caused thereby to the Company, they shall also be liable for compensation.

**Article 49** The general meetings shall include annual general meetings and extraordinary general meetings. Annual meetings shall be convened once a year and shall be held within six months from the end of the preceding financial year.

**Article 50** The Board shall convene an extraordinary general meeting within two months upon the occurrence of any of the following circumstances:

- (I) The number of directors is less than the number as stipulated in the Company Law or less than two-thirds of the number prescribed in these Articles of Association;
- (II) The losses of the Company that have not been made up reach one-third of the total share capital;
- (III) When shareholders who individually or collectively hold more than 10% of the shares of the Company require;
- (IV) Whenever the Board considers necessary;
- (V) When the board of supervisors proposes to convene a meeting;
- (VI) Other circumstances prescribed by the laws, administrative regulations, departmental regulations, listing rules of the stock exchange(s) of the place(s) in which the shares of the Company are listed or these Articles of Association.

**Article 51** The venue of convening a general meeting of the Company shall be the domicile of the Company or other specific location notified by the convener of the general meeting. A venue shall be set for the general meeting which shall be convened on site. The Company will also provide other means (where applicable) for its shareholders to conveniently attend the general meetings in accordance with the provisions of laws, administrative regulations, the listing rules of the stock exchange in the place where the Company's shares are listed, or these Articles of Association. A shareholder who participates in a general meeting in the aforesaid manners shall be deemed to have been present at the meeting. After the notice of the general meeting is issued, the venue of the meeting shall be not changed without proper reasons. If a change is necessary, the convener shall make an announcement and give reasons therefor at least 2 working days before the date of the on-site meeting.

### **Section 3 Proposing and Convening of General Meeting**

**Article 52** General meetings shall be convened by the Board. When the Board is unable or fails to perform its duty to convene the general meetings, the board of supervisors shall convene and preside over the meetings in accordance with these Articles of Association. In the case of failure to convene and preside over the general meetings by the board of supervisors, shareholders individually or jointly holding 10% or more of the shares of the Company for more than 90 consecutive days shall have the right to convene and preside over the meetings in accordance with these Articles of Association by themselves.

**Article 53** Independent non-executive directors are entitled to propose to convene an extraordinary general meeting to the Board. Concerning the proposal of convening an extraordinary general meeting requested by the independent non-executive directors, the Board shall, in accordance with the requirements of the laws, administrative regulations and these Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the proposal.

If the Board agrees to convene the extraordinary general meeting, it shall issue a notice of general meeting within 5 days upon making the decision. If the Board does

not agree to convene an extraordinary general meeting, it shall explain the reasons and make an announcement accordingly.

**Article 54** The board of supervisors is entitled to propose to convene an extraordinary general meeting to the Board, which shall be made in writing. The Board shall, in accordance with the law, administrative regulations and these Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the proposal.

If the Board agrees to convene the extraordinary general meeting, it shall issue a notice of general meeting within 5 days of the after the decision is made. Any changes made to the original request in the notice shall be agreed by the board of supervisors.

If the Board disagrees to convene the extraordinary general meeting, or does not reply within 10 days upon receipt of the proposal, it shall be deemed as failing to discharge or not discharging its duties to convene the general meeting. The board of supervisors shall then be entitled to convene and hold the meeting by itself.

**Article 55** Shareholders holding more than 10% of shares (individually or collectively with others) shall be entitled to request the Board to convene an extraordinary general meeting, and such request shall be made in writing to the Board. The Board shall, in accordance with the requirements of law, administrative regulations and these Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the proposal. Shares held by the above shareholders shall be calculated as at the date of submitting the written request.

If the Board agrees to convene an extraordinary general meeting, it shall issue a notice of convening the general meeting within 5 days upon being resolved by the Board. Any changes made to the original request in the notice shall be agreed by the relevant shareholders.

If the Board disagrees to convene the extraordinary general meeting, or does not reply within 10 days upon receipt of the proposal, shareholders individually or collectively holding more than 10% of the shares of the Company are entitled to propose to the board of supervisors in writing to convene an extraordinary general meeting.

If the board of supervisors agrees to convene the extraordinary general meeting, it shall issue a notice of convening the general meeting within 5 days upon receipt of the proposal. Any changes made to the original request in the notice shall be agreed by the relevant shareholders.

If the board of supervisors does not issue the notice of general meeting within the prescribed period, it shall be deemed as the board of supervisors not convening and not holding the general meeting. Then the shareholders who individually or collectively hold more than 10% of the shares for more than 90 consecutive days are entitled to convene and hold the meeting by themselves.

**Article 56** Where the board of supervisors or shareholders convenes a meeting by themselves in accordance with the provisions of this section, a written notice shall be submitted

to the Board and filed with the securities regulatory authority and relevant stock exchange where the Company is located.

Before making an announcement on the resolution(s) of the general meeting, the convening shareholders shall hold no less than 10% of the shares.

When the board of supervisors or the convening shareholder issues the notice of general meeting and the announcement on the resolution(s) of the general meeting, they shall submit the relevant proof materials to the securities regulatory authority and relevant stock exchange where the Company is located.

The Board and the secretary to the Board shall cooperate in terms of such meetings. The Board shall provide the register of shareholders on the shareholding record date. The necessary expenses shall be borne by the Company.

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

**Article 57** The contents of the proposals to be raised shall be within the scope of duties of the general meetings. It shall have a clear topic and specific matters to be resolved on, and shall be in compliance with relevant requirements of the laws, administrative regulations and these Articles of Association.

**Article 58** When a general meeting is convened by the Company, the Board, board of supervisors or shareholders who individually or collectively hold more than 3% of the shares of the Company shall be entitled to propose resolutions to the Company.

Shareholders who individually or collectively hold more than 3% of the shares of the Company may submit ad hoc proposals in writing to the convener of the general meeting 10 days before the convening of the general meeting. The convener shall issue a supplemental notice of the general meeting within 2 days upon receipt of the proposals and announce the contents of the ad hoc proposals.

Except for circumstances provided in the above paragraph, the convener, after issuing the notice and announcement of the general meeting, shall neither revise the proposals stated in the notice of general meetings nor add new proposals.

If a notice of general meeting does not specify the proposed resolutions or does not comply with Article 57 herein, no voting for resolutions shall be carried out at the general meeting.

**Article 59** Where an annual general meeting is convened by the Company, the Company shall notify all shareholders by way of announcement 20 days prior to the meeting, and where an extraordinary general meeting is convened by the Company, the Company shall notify all shareholders by way of announcement 15 days prior to the meeting.

When calculating the time limit of the notice, the date of the meeting convened shall be excluded.

**Article 60** Notice of the general meeting shall include the following:

- (I) Time, place and date of the meeting;
- (II) Specified matters and resolutions to be proposed at the meeting;

- (III) State clearly that all shareholders are entitled to attend the general meeting, and to appoint proxies in writing to attend and vote at the meeting on his behalf and that such proxies are not necessarily shareholders;
- (IV) Record date for shareholders entitled to attend the meeting;
- (V) Name and telephone number of the contact person;
- (VI) If the general meeting is held online or by other means, the time and procedures for voting online or by other means shall be specified in the general meeting.

**Article 61** For matter of discussion involving the election of directors and supervisors, the notice of general meeting shall adequately disclose the detailed information of the candidates for such directors and supervisors, which shall at least include the following:

- (I) Personal particulars including education background, working experience and any part-time job;
- (II) Whether there is any connected relationship between the Company and the controlling shareholders and de facto controller of the Company;
- (III) Disclosure of the shareholdings in the Company;
- (IV) Whether or not they have been penalized by CSRC or other related authorities and the stock exchange.

Apart from directors and supervisors elected through the cumulative voting system, each candidate of director or supervisor shall be individually proposed.

**Article 62** After issuance of the notice for the general meeting, the general meeting shall not be postponed or cancelled without proper reasons and the proposals specified in the notice shall not be withdrawn. In case of delay or cancellation, the convener shall make an announcement giving reasons at least 2 working days before the date when the meeting is convened, unless otherwise prescribed in listing rules of the stock exchange(s) of the place(s) in which the shares of the Company are listed (if so, the latter shall prevail).

### **Section 5 Convening General Meeting**

**Article 63** The Board and other conveners of the Company will take necessary measures to ensure the proper order of the general meeting. Any act that interferes with the order of the general meeting, stirs up troubles or infringes upon the shareholders' lawful rights and interests shall be stopped by measures and promptly reported to the relevant authorities for investigation and punishment.

**Article 64** All shareholders or their proxies on the register of shareholders on the shareholding record date shall be entitled to attend the general meeting, and vote in accordance with the provisions of the relevant laws, regulations and these Articles of Association. A shareholder may attend the general meeting in person or appoint a proxy (who may not be a shareholder) to attend and vote at the meeting on his behalf.

If a shareholder is a recognized clearing house or its agent within the meaning of the relevant regulations imposed in Hong Kong from time to time, he may authorize one or more proxy(ies) as he thinks fit to act as his proxy(ies) at any general meeting or creditors' meeting. However, if more than one proxies are appointed, the proxy form shall specify the number and class of shares represented by each of such proxies under the authorization, and signed by authorized proxies of recognized clearing house. Such authorized proxies are entitled to attend the meeting on behalf of the recognized clearing house or their agent (without presentation of evidence of their shareholding, notarized authorization and/or further proof demonstrating the duly granting of the same) and exercise the right (including the right to speak and vote) of the recognized clearing house or their agent, as if they were the individual shareholders of the Company.

**Article 65** An individual shareholder who attends the general meeting in person shall present his identity card or other effective document or proof that can clarify his identity. If a proxy is appointed to attend the meeting, the proxy shall present his effective identity card together with the authorization letter from the shareholder.

A legal person shareholder shall appoint a statutory representative or a proxy entrusted by the statutory representative to attend the meeting. If a statutory representative attends the meeting, he shall present his own identification document and a valid certificate proving his qualification to be a statutory representative; if a proxy is entrusted to attend the meeting, the proxy shall present his own identification, and a written power of attorney issued by the statutory representative from the unit of legal person shareholder in accordance with the law. A legal person shareholder who has appointed a proxy to attend any meeting shall be deemed to be present in person. A person duly authorized by a legal person shareholder may execute a proxy form on behalf of the legal person shareholder.

**Article 66** The instrument issued by the shareholder to authorize another person to attend the general meeting shall state the following contents:

- (I) Name of the proxy;
- (II) Whether the proxy has voting rights;
- (III) Indication of consent, objection or abstention concerning each proposal to be resolved on the agenda of general meeting;
- (IV) Date of signing of the instrument and term of validity;
- (V) Signature (or seal) of the principal. If the principal is a legal person shareholder, the seal of the legal person shall be affixed;

- (VI) Specifying the number of shares represented by the proxy of the shareholder;
- (VII) If more than one proxy is appointed, the instrument shall specify the number of shares represented by each proxy.

**Article 67** Where the power of attorney is signed by another person authorized by the principal, the authorization letter or other documents authorizing the signatory shall be notarized. The notarized authorized letter or other authorized documents shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or at such other places as specified in the notice of convening the meeting.

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

**Article 68** The proxy form shall state that if the shareholder does not give specific instructions, whether the proxy shall vote at his/her/its own discretion.

**Article 69** A registration record for attendees at the meeting shall be compiled by the Company. The registration record shall contain items including but not limited to the names of the attendees (or names of organizations), identity card numbers, residential addresses, the number of shares held or voting rights represented and names of the proxies (or name of organizations).

**Article 70** The convener shall verify the legitimacy of the shareholders' qualifications according to the register of members provided by the securities registration and clearing institutions. The names of shareholders and the total number of shares with voting rights held by them shall be registered. The registration at the meeting shall end before the meeting presider announces the number of shareholders and proxies attending the meeting and the total number of shares held with voting rights.

**Article 71** When the general meeting is convened, all directors, supervisors and secretary to the Board of the Company shall attend the meeting, and the manager and other senior management shall be present at such meeting.

**Article 72** The general meeting shall be chaired by the chairman of the Board. Where the chairman of the Board is unable to discharge or fails to discharge his/her duties, the meeting shall be convened and presided over by the vice chairman of the Board (if there are two or more vice chairmen, the one elected by more than one half of the directors shall preside over the meeting). Where the position of vice chairman does not exist, or where the vice chairman of the Board is unable to discharge or fails to discharge his/her duties, more than one half of the directors shall designate a director to chair the meeting.

If a general meeting is convened by the board of supervisors, the chairman of the board of supervisors shall preside over the meeting. If the chairman of the board of supervisors is unable to or fails to discharge his/her duties, more than one 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 will nominate a representative to preside over the meeting.

When a general meeting is convened, if the meeting presider contravenes the rules of procedures of general meetings, rendering the meeting impossible to proceed, with the consent from more than one half 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 73** The Company shall formulate the rules of procedures for the general meeting and specify in details the procedures for convening and voting at the general meeting, including notification, registration, reviewing of proposals, voting, counting of votes, announcement of voting results, formation of meeting resolutions, minutes of meeting and their signing, public announcements as well as principle for the authorization granted to the Board by the general meeting. The rules of procedures for the general meeting shall be appended to these Articles of Association. They shall be formulated by the Board and approved by the general meeting.

**Article 74** In 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 director shall also present a work report.

**Article 75** Directors, supervisors and senior management shall provide explanations regarding and answer the enquiries and suggestions from shareholders at the general meeting.

**Article 76** The meeting presider shall, prior to voting, announce the number of shareholders and proxies attending the meeting in person as well as the total number of voting shares, which shall be the number of shareholders and proxies attending the meeting in person and the total number of their voting shares as indicated in the meeting's registration record.

**Article 77** Minutes shall be prepared for general meetings by the secretary to the Board. The minutes shall state the following contents:

- (I) Time, venue and agenda of the meeting and name of the convener;
- (II) The name of the chairman of the meeting and the names of the directors, supervisors and senior management attending or present at the meeting;
- (III) The numbers of shareholders (including holders of domestic shares, unlisted foreign shares (if any) and overseas-listed shares) and proxies attending the meeting, total number of voting shares they represent and the percentages of their voting shares to the total share capital of the Company for each shareholder;
- (IV) The process of review and discussion, summary of any speech and voting results of each proposal;
- (V) Shareholders' questions, opinions or suggestions and corresponding answers or explanations;
- (VI) Names of vote counters and scrutinizer of the voting;
- (VII) Other contents to be included as specified in these Articles of Association.

**Article 78** The convener shall guarantee the authenticity, accuracy and integrity of the content of the meeting minutes. The Directors, supervisors, secretary of the Board, convener or his/her representative, and the meeting presider who attend the meeting shall sign on the minutes of such meeting. The meeting minutes shall be maintained together with the register of names of the shareholders present, the power of attorney for attendance, and the valid documents for the on-line and other forms of voting for a period of not less than ten years.

**Article 79** The convener shall ensure that the general meeting be conducted continuously until final resolutions are made. If the general meeting is suspended or resolutions cannot be made because of force majeure and other special causes, the convener shall take necessary measures to resume the meeting or directly terminate that meeting as soon as practicable followed by a timely public announcement and report in accordance with the laws, regulations or listing rules of the stock exchange(s) of the place(s) in which the shares of the Company are listed.

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

**Article 80** Resolutions of the general meeting include ordinary resolutions or special resolutions.

Ordinary resolutions at a general meeting shall be passed by more than one half of the voting shares held by shareholders (including their proxies) attending the general meeting.

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

**Article 81** When shareholders (including proxies) vote at the general meeting, they shall exercise their voting rights according to the number of voting shares they represent. Each share shall carry one voting right. If a shareholder is a clearing house as defined in the Listing Rules (i.e. a securities registration and clearing institution) or its proxy, it is not required to cast all of its votes in favor of or against the resolutions.

Shares held by the Company do not carry voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting.

Where a shareholder's purchase of the Company's voting shares violates the provisions of paragraphs 1 and 2 of Article 63 of the Securities Law, the voting rights of the shares exceeding the prescribed proportion shall be not exercised within 36 months after the purchase, and such shares shall be not included in the total number of voting shares of the shareholders attending the general meeting.

The Board, independent non-executive directors, shareholders holding more than 1% of the voting shares, or investor protection institutions established in accordance with the laws, administrative regulations or the provisions of the CSRC, may publicly solicit voting rights from shareholders. When soliciting voting rights from shareholders, the specific voting intention and other information shall be fully disclosed to the solicitation targets. Solicitation of shareholders' voting rights in a paid or disguised paid way shall be prohibited. Except for statutory conditions, the

Company shall not impose restrictions on the minimum shareholding proportion against the solicitation of shareholders' voting rights.

**Article 82** When the general meeting considers related party transactions, the related party shareholders shall not participate in the voting if so specified in the applicable law, regulations or listing rules of the stock exchange(s) of the place(s) in which the shares of the Company are listed. His/her shares held with voting rights will not be counted within the total number of valid votes. The public announcement on the voting results of the general meeting shall fully disclose the voting results of the non-related party shareholders.

**Article 83** In accordance with the applicable laws, regulations and listing rules of the stock exchange(s) of the place(s) in which the shares of the Company are listed, where any shareholder shall abstain from voting for any particular resolution, or is restricted to vote only for or against such resolution, any votes in violation of such requirement or restriction by the shareholders (or their proxies) shall not be counted in the voting results.

**Article 84** Except when the Company is under a special circumstance such as a crisis, the Company will not, without an approval by a special resolution at a general meeting, enter into a contract to handover all or material business management of the Company to a person other than to a director, manager or other senior management.

**Article 85** The name list of candidates for directors and supervisors shall be included in a proposal to be submitted to the general meeting for voting.

When the general meeting votes on the election of directors and supervisors, a cumulative voting system may be implemented in accordance with the provisions of these Articles of Association or the resolutions of the general meeting.

The above cumulative voting system indicates that each share has the number of voting rights identical to the number of directors or supervisors to be elected, and the voting rights owned by the shareholders may be cumulatively used when the general meeting elects the directors or supervisors. The Board shall make announcement to shareholders on the resumes and basic information of the candidates for directors and supervisors.

**Article 86** In addition to the cumulative voting system, the general meeting shall resolve on all the proposals separately; in the event of several proposals for the same issue, such proposals will be 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 87** When considering a proposal, the general meeting will not revise it; otherwise, such revision shall be deemed as a new proposal and shall not be voted at the current meeting.

**Article 88** The same voting right shall only be exercised on site, via the Internet or by other means. Where the same vote is cast for two or more times, the first cast shall hold.

**Article 89** The Shareholders' General Meeting shall adopt open ballot by a poll.

**Article 90** Before the relevant proposal is voted on at the general meeting, representatives of the shareholders shall be elected to take part in counting the votes and scrutinizing the conduct of the poll. If any shareholder is interested in the matter under consideration, he/she and his/her proxy shall not take part in counting the votes or scrutinizing the conduct of the poll.

At the time of deciding on a proposal by voting at the general meeting, shareholder representatives and supervisor representatives shall count and scrutinize the votes jointly, and announce the voting result forthwith. The voting result in connection with the resolution shall be recorded in the minutes of meeting.

Where a general meeting is held online or otherwise concurrently, Shareholders of the Company or their proxies shall have right to check the results of their votes through the voting system if they vote online or otherwise.

**Article 91** Where a general meeting is held online or otherwise concurrently, the on-site general meeting shall not end before that held online or otherwise, and the meeting presider 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 the voting results, relevant parties involved in relation to voting on the site of the general meeting, and by other means, including the Company, the persons responsible for counting votes and scrutinizing the voting, substantial shareholders, and internet service providers, shall be obliged to keep the voting status confidential.

**Article 92** The shareholders attending the general meeting shall express one of the following opinions on the proposal to be voted on: for, against, or abstain. Save for the circumstance under which the securities registration and settlement institution, acting as the nominal holder of shares under the mutual stock market access between the Mainland China and Hong Kong, makes reporting in accordance with the instruction of the actual holder of relevant shares.

An unfilled, wrongly filled, or illegible vote, or an uncast vote shall be deemed to be a waiver of the voting right of the voter, and the voting result for the number of shares he/she holds shall be accounted as “abstain”.

**Article 93** The following matters shall be passed by way of ordinary resolutions at a general meeting:

- (I) Work reports of the Board and the board of supervisors;
- (II) Profit distribution plan and loss compensation plan formulated by the Board;
- (III) The appointment and removal of non-employee representative supervisors among members of the Board and members of the board of supervisors;
- (IV) The remuneration and method of payment of members of the Board and members of the board of supervisors;
- (V) Annual preliminary budgets and final budgets, balance sheets and profit and loss statements and other financial statements of the Company;

- (VI) Annual report of the Company;
- (VII) Matters other than those requiring the approval by way of special resolutions in accordance with the laws, administrative regulations, listing rules of the stock exchange(s) of the place(s) in which the shares of the Company are listed or these Articles of Association.

**Article 94** The following matters shall be passed by way of special resolutions at a general meeting:

- (I) Increase or reduction in the registered capital and issue of any kinds of shares, warrants and other similar securities by the Company;
- (II) Division, spin-off, merger, dissolution and liquidation of the Company;
- (III) Amendment to these Articles of Association;
- (IV) Acquisition and disposal of material assets within one year by the Company and events that involve a guarantee amount exceeding 30% of the latest audited total assets of the Company;
- (V) Equity incentive plan;
- (VI) Other matters required by the laws, administrative regulations, listing rules of the stock exchange(s) of the place(s) in which the shares of the Company are listed and these Articles of Association or those resolved at the general meeting by way of ordinary resolutions and deemed to be of significant impact to the Company and thereby required to be passed by way of special resolutions.

**Article 95** If the meeting presider has any doubts about the voting result of a resolution, he may arrange the recounting of the votes. If the meeting presider does not arrange the recounting of the votes, a shareholder or proxy attending the meeting who dissents from the result announced by the meeting presider shall be entitled to request the recounting of votes immediately after such announcement, in which case the meeting presider shall immediately arrange the re-counting of the votes.

**Article 96** The voting results for resolutions at the general meeting shall be announced to shareholders in a timely manner in accordance with applicable laws, administrative regulations and the listing rules of the stock exchange in the place where the Company's shares are listed.

**Article 97** Where the proposals fail to be adopted or if the general meeting changes the resolutions of the previous one, a special note shall be included in the announcement on the resolutions of the general meeting.

**Article 98** Where a proposal for the election of directors or supervisors is adopted at a general meeting, the new directors and supervisors shall take office on the date on which the resolution of the general meeting is adopted.

**Article 99** If the general meeting passes the proposal on cash dividends, scrip issue or conversion of capital reserve into share capital, the Company shall implement the relevant specific proposals in two months after the end of the general meeting.

## CHAPTER 5 BOARD OF DIRECTORS

### Section 1 Directors

**Article 100** A natural person may not serve as a director of the Company if he or she is under any of the following circumstances:

- (I) A person without capacity or with restricted capacity for civil acts;
- (II) A person who has committed an offence of corruption, bribery, embezzlement of property, misappropriation of property or sabotaging the social economic order shall be penalized because of committing such offence; or who has been deprived of his political rights, in each case where less than 5 years have elapsed upon the completion of implementation of such punishment or deprivation;
- (III) A person who is a former director, factory manager or general manager of a company or enterprise which has undergone bankruptcy and he or she was personally liable for the bankruptcy of such company or enterprise, where less than 3 years have elapsed upon the completion of the insolvency and liquidation of the company or enterprise;
- (IV) A person who is a former legal representative of a company or enterprise whose business license was revoked due to a violation of the law and incurred personal liability, where less than 3 years has elapsed upon the revocation of the business license;
- (V) A person who bears a relatively large amount of debts due and outstanding;
- (VI) A person who is imposed by the CSRC a ban from entering into the securities market for a period which has not yet expired;
- (VII) Other circumstances stipulated by laws, administrative regulations or departmental rules.

The breach of this article to elect or appoint directors and supervisors shall render such election or appointment or engagement null and void. Should the circumstance(s) set forth in this article occur(s) during a tenure of a director, the Company shall relieve such director from his/her duties.

**Article 101** Directors shall be elected by the general meeting and serve a term of 3 years for each session, and can be removed from their office prior to the conclusion of the term thereof by the general meeting. A director may serve consecutive terms if re-elected upon the expiry of his term, unless it is otherwise stipulated by the relevant laws, regulations, these Articles of Association and listing rules of the place(s) where the Company's shares are listed.

A director's term of service commences from the date he takes office, until the current term of service of Board ends. If a director's term of service expires but a

new director is not elected in a timely manner, the original director shall continue to carry out the director's duties according to the laws, administrative regulations, departmental regulations and these Articles of Association until the newly elected director takes office.

Any person appointed by the Board to fill the casual vacancy on or as an addition to the Board shall hold office only until the forthcoming annual general meeting of the Issuer and shall be eligible for reelection.

A director's post may be assumed by the general manager or other senior management, but the sum of the total number of directors who also assume the duties of the general manager or other senior management and the number of staff representative directors, shall not exceed one half of the total number of directors of the Company.

Subject to compliance with relevant laws, regulations and the Listing Rules, a director can be removed by way of an ordinary resolution passed on a general meeting before the expiry of his term of office. Such removal does not prejudice the director's claim for damages pursuant to any contract.

**Article 102** Directors shall comply with laws, administrative regulations and these Articles of Association, and bear the following faithful obligations to the Company:

- (I) Not to take advantage of his/her functions and power to accept bribes or other illegal incomes, and not to misappropriate the property of the Company;
- (II) Not to misappropriate funds of the Company;
- (III) Not to deposit the Company's assets or funds in an account opened in their own name or in the name of other individuals;
- (IV) Not to lend the Company's funds to others or use the Company's assets as security for others in violation of these Articles of Association and without the approval of the general meeting or the Board;
- (V) Not to enter into contracts or transactions with the Company in violation of these Articles of Association or without the approval of the general meeting;
- (VI) Not to take advantage of their positions to seek business opportunities that shall belong to the Company for themselves or others, or engage in business similar to that of the Company for themselves or others, without the approval of the general meeting;
- (VII) Not to accept and keep privately commissions on transactions with the Company;
- (VIII) Not to disclose the secrets of the Company without authorization;
- (IX) Not to damage the interests of the Company by taking advantage of their affiliations;
- (X) Other faithful obligations required by laws, administrative regulations, departmental rules and these Articles of Association.

The income derived by the directors in violation of this article shall be returned to the Company. If losses are caused to the Company, they shall be liable for compensation.

**Article 103** Directors shall comply with laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed, and these Articles of Association, and bear the following diligence obligations to the Company:

- (I) To exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the requirements of PRC laws, administrative regulations and relevant PRC economic policies and are not beyond the business scope specified in the business license of the Company;
- (II) To treat all shareholders impartially;
- (III) To keep informed of the operation and management conditions of the Company in a timely manner;
- (IV) To sign written confirmation opinions on periodic reports of the Company and ensure that the information disclosed by the Company is true, accurate and complete;
- (V) To provide relevant information and materials to the Supervisory Committee honestly, and not to hinder the Supervisory Committee or supervisors from exercising their functions and power;
- (VI) Other diligence obligations specified by laws, administrative regulations, departmental rules, the securities regulatory rules in the place where the Company's shares are listed, and these Articles of Association.

**Article 104** If a director is unable to attend Board meetings in person for two consecutive meetings, and does not appoint other directors to attend the Board meeting on his behalf, he shall be deemed as failing to carry out his duties. The Board shall propose to the general meeting to replace him.

**Article 105** A director may resign before expiry of his term of service. When a director resigns, he shall submit a written resignation notice to the Board. The Board shall make relevant disclosure within two days upon receipt of such resignation.

If the members of the directors fall below the minimum statutory requirement due to a director's resignation, the original directors shall still perform their duties as directors in accordance with the requirements of laws, administrative regulations, departmental rules and these Articles of Association before the appointment of the re-elected directors; the notice of resignation of the resigning director shall only become effective after a new director fills the vacancy.

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

**Article 106** When a director's resignation takes effect or his term of service expires, the director shall complete all transfer procedures with the Board. His fiduciary duties towards the Company and the shareholders do not necessarily cease after

the end of his term of service and shall still be in effect for a period of two years. The duty of confidentiality in respect of trade secrets of the Company survives his resignation or expiry of his term of office, until such trade secrets become publicly available information. Other duties may continue for such period as the principle of fairness may require, depending on the length of time which has elapsed between the occurrence of the event concerned and the termination of tenure, and the circumstances and terms under which the relationships between them and the Company have been terminated.

**Article 107** In the absence of specification in these Articles of Association or legitimate authorization by the Board, no director shall act in his personal capacity on behalf of the Company or the Board. When a director acts in his personal capacity, but a third party may reasonably believe that the director is representing the Company or the Board, that director shall declare his stance and capacity in advance.

**Article 108** If a director breaches the laws, administrative regulations, departmental regulations or these Articles of Association when carrying out his corporate duties and causes loss to the Company, he shall be held responsible for damages.

**Article 109** The Board of the Company has independent non-executive directors, who shall be subject to the applicable provisions of laws, administrative regulations, the listing rules of the stock exchange in the place where the Company's shares are listed, and these Articles of Association.

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

**Article 110** The Company shall have independent non-executive directors. Independent non-executive directors refer to such directors of the Company that serves no duties other than the directors' duties, has no relationship with the Company and its substantial shareholders (referring to such shareholders who individually or collectively hold more than 5% of the total number of voting shares) that may hinder their independent objective judgments, and satisfies the requirements on independence by the listing rules of the stock exchange of the place where the Company's shares are listed.

**Article 111** No less than one-third of the Board members and no less than three Board members of the Company shall be independent non-executive directors; among whom, at least one independent non-executive director must have appropriate professional qualifications or accounting or related financial management expertise. Should the number of the independent non-executive directors fail to meet the number of the independent non-executive directors as required by these Articles of Association because the independent non-executive directors fail to satisfy the conditions of being independent or because it is inappropriate for the independent non-executive directors to perform their duties on the occurrence of some event(s), the Company shall appoint additional independent non-executive directors to meet such required number.

At least one independent non-executive director of the Company shall ordinarily reside in Hong Kong.

**Article 112** An independent non-executive director shall have the same term of office as that of other directors of the Company, and upon expiry, may be re-elected for a consecutive term of no more than 9 years, unless it is otherwise stipulated by the relevant laws, regulations and listing rules of the stock exchange(s) on which the Company's shares are listed.

**Article 113** The Company shall formulate working rules of independent non-executive directors, which will specify the qualification, nomination, election and replacement, rights and obligations, and liabilities of independent non-executive directors.

**Article 114** Matters relating to independent non-executive directors not covered in this section shall be handled according to the relevant applicable laws, regulations or listing rules of the stock exchange(s) of the place(s) where the Company's shares are listed.

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

**Article 115** The Company shall set up the Board which shall be accountable to the general meeting.

**Article 116** The Board shall be composed of 9 directors, including 3 independent non-executive directors.

The Board shall have one chairman. Whether or how to set up the post of the vice chairman of the Board shall be decided by the general meeting in form of an ordinary resolution (The provisions related to the vice chairman as provided herein shall be only applicable to such circumstances where the position(s) of vice chairman is set up in the Company, same as below).

The chairman and vice chairman (or vice chairmen) of the Board shall be elected and dismissed by more than one half of all the directors. The chairman and vice chairman (or vice chairmen) of the Board shall serve a term of 3 years and may be re-elected upon the expiry of their terms.

**Article 117** The Board exercises the following functions and powers:

Before making decisions on significant matters of the Company, the Board of Directors shall seek advice from the Party organization. When the Board of Directors appoints the senior management officers of the Company, the Party organization shall consider and provide comments on the candidates nominated by the Board of Directors or the general manager, or recommend candidates to the Board of Directors and the general manager.

- (I) to be responsible for convening general meetings and reporting its work to the general meetings;
- (II) to implement resolutions of the general meetings;
- (III) to decide on the Company's business plans and investment plans;
- (IV) to formulate the annual financial budgets and final accounts of the Company;
- (V) to formulate the Company's profit distribution plans and plans on making up losses;
- (VI) to formulate proposals for the Company to increase or decrease its registered capital, issue corporate bonds or other securities and pursue any listing thereof;
- (VII) to formulate plans for mergers, division, dissolution and alteration of corporate form of the Company;
- (VIII) to formulate plans for the Company's substantial acquisitions and purchase of the shares of the Company;
- (IX) to determine, within the authorization scope of the general meeting, the external investments, assets acquisition and sales, pledge of assets, external guarantee, trust management, connected transactions and external donation etc.;
- (X) to decide on the establishment of internal management organizations of the Company;

- (XI) to determine the establishment of the special committees under the Board, appoint or dismiss the chairman (convener) of such committees;
- (XII) to appoint or dismiss the general manager, the secretary to the Board and the company secretary; to appoint or dismiss the senior management including the deputy general managers and the financial controller of the Company in accordance with the nominations made by general manager, and to decide on their remunerations;
- (XIII) to formulate the basic management system of the Company;
- (XIV) to formulate proposals to amend these Articles of Association;
- (XV) to formulate the incentive stock option plan of the Company;
- (XVI) to manage information disclosure of the Company;
- (XVII) to propose to the general meeting the appointment or replacement of the accounting firms which provide auditing service to the Company;
- (XVIII) to listen to work reports of the general manager of the Company and review the work of the general manager;
- (XIX) to consider, review and approve the matters on the Company's external guarantee which shall not fall into the scope required to be considered by the general meeting as provided in Article 48 hereunder;
- (XX) to examine and supervise the Company's policies and standards regarding the Company's compliance with laws and regulatory provisions;
- (XXI) to examine and supervise the training and continuing professional development for the directors, supervisors and senior management;
- (XXII) to examine the Company's compliance with the Corporate Governance Code in the Listing Rules and the disclosure in the corporate governance report;
- (XXIII) to decide on such major matters and administrative affairs other than those ought to be decided by the general meeting as specified in the laws, administrative regulations, rules and regulations of the competent authorities and these Articles of Association and enter into other important agreements;
- (XXIV) other powers and duties stipulated by laws, administrative regulations, and departmental rules and regulations, listing rules of the stock exchange(s) of the place(s) where the Company's shares are listed, and these Articles of Association, and conferred upon by the general meetings.

Should the foregoing exercise of such functions and powers by the Board, or any transaction or arrangement of the Company be considered and reviewed by a general meeting according to the listing rules of the stock exchange(s) of the place(s) where the Company's shares are listed, such shall be submitted to the general meeting for consideration and review.

Except for the Board resolutions in respect of the matters specified in paragraphs (VI), (VII) and (XIV) which shall be passed by more than two-thirds of the directors, the Board resolutions in respect of all other matters set out in the preceding paragraphs may be passed by more than one-half of the directors.

**Article 118** The Board of the Company shall provide explanation to the general meeting with respect to the audit report of a non-standard opinion, issued by a certified public accountant, regarding the Company's financial statements.

**Article 119** The Board shall formulate the rules of procedures for meetings of the Board to ensure implementation of the resolutions of the general meeting, improve the efficiency of work and ensure scientific decision-making. The rules of procedures for the Board stipulate the procedures for holding the Board meetings and voting at the Board meeting, and shall be appended to these Articles of Association, being formulated by the Board and approved by the general meeting.

**Article 120** The Board shall establish the Audit Committee, and establish the Remuneration Committee, the Nomination Committee, the Strategic Committee and other relevant special committees as necessary. Special committees shall be accountable to the Board and perform their responsibilities in accordance with the Articles of Association and the authorization of the Board. Proposals by special committees shall be submitted to the Board for determination.

All members of the special committees shall be directors. Independent non-executive directors shall be the majority in the Audit Committee, Nomination Committee, and Remuneration Committee and serve as convener. Convener for the Audit Committee shall be a professional with expertise in accounting or relevant financial management. The Board shall be responsible for formulating the rules of the special committees to regulate their operation.

**Article 121** The Board shall determine the authority of outbound investment, acquisition and disposal of assets, asset mortgages, external guarantees, entrusted wealth management, connected transactions and external donations, and set up strict inspection and decision-making procedures; for important investment projects, the Board shall organize relevant experts and professionals to review and report at the general meeting for approval.

In respect of the above matters, the decision-making authorities of the Board are as follows:

- (I) Approval of external guarantee matters other than those stipulated in Article 48 of these Articles of Association;
- (II) Approval of outward investment of less than 30% of the latest audited total assets of the Company for 12 consecutive months;
- (III) Approval of purchases and sales of assets of less than 30% of the latest audited total assets of the Company for 12 consecutive months;

- (IV) Approval of the transactions and decisions required to be announced by the securities regulatory rules in the place where the Company's shares are listed;
- (V) Other circumstances authorized by the general meeting.

If the matters within the scope of authority of the Board mentioned in the preceding paragraph shall be submitted to the general meeting for consideration and approval in accordance with laws, administrative regulations, departmental rules or the securities regulatory rules in the place where the Company's shares are listed, they shall be implemented in accordance with the foregoing provisions.

**Article 122** The chairman of the Board shall exercise the following functions and powers:

- (I) to preside over general meetings and to convene and preside over Board meetings;
- (II) to urge and check the implementation of resolutions of the Board;
- (III) to organize the formulation of various rules for the operation of the Board and to coordinate for the operation of the Board;
- (IV) to sign on important documents of the Board and to externally sign on such legally binding documents on behalf of the Company;
- (V) to exercise the powers and functions as a legal representative;
- (VI) to nominate candidates for the secretary to the Board, members and chairmen of the special committees under the Board;
- (VII) to listen to regular or irregular work reports of the senior management of the Company, and provide guiding opinion regarding the implementation of the Board resolutions;
- (VIII) in event of an emergency of force majeure including massive natural disasters, to exercise the special right of disposal over the Company's affairs, being in line with the requirements of laws and the interests of the Company, and to report to the Board and the general meeting thereafter;
- (IX) such other functions and powers stipulated by laws, administrative regulations, departmental rules and regulations, and these Article of Association and conferred upon by the Board.

**Article 123** The vice chairman shall assist the chairman of the Board in work. Should the chairman be unable to or fail to carry out his/her duties, the vice chairman shall carry out the duties of the chairman (and if the Company has two or more vice chairmen, the vice chairman nominated by more than one half of the directors shall carry out the duties of the chairman). Where the position of vice chairman does not exist, or where the vice chairman is unable to or fails to carry out his/her duties, more than one half of the directors shall jointly nominate a director to carry out such duties.

**Article 124** The Board meetings shall include regular meetings and extraordinary meetings.

The Board shall hold at least four meetings a year, including two regular meetings. Such meetings shall be convened by the chairman of the Board. Notice of and documents for meetings shall be delivered to all directors and supervisors 10 days before the meeting is held. Regular meetings of the Board shall not include the obtaining of such approval from the Board by means of circulation of written resolutions.

The chairman, any shareholder holding more than one tenth voting rights, more than one-third of the directors or the board of supervisors or the general manager may propose the holding of an extraordinary meeting of the Board. The chairman of the Board shall convene and preside over the extraordinary meeting of the Board within 10 days upon receipt of the proposal, and shall give written notice to all directors and supervisors 5 days before the meeting is held.

In case of urgency, the extraordinary board meeting may be held upon approval by the chairman of the Board, not being subject to the requirement of meeting notice as set out in this Article, provided that reasonable notice shall be given to directors, supervisors and the general manager.

Board meetings may be convened by means of telephone conference, video conference, circulation of documents, facsimile etc. provided that directors can fully express their views, and all directors who participate in Board meetings held in such forms shall be deemed to have attended the meeting in person. For a Board meeting which is held by means of telecommunication, the notice of meeting shall set out the details of the resolutions of the meeting, and shall state the deadline date for voting. The directors who participate in such meeting shall express their votes to the Company via facsimile by the deadline date for such voting as stated in the notice of meeting, and the original copy of such voting decision, which shall be signed by such directors themselves, shall be sent to the Board of the Company.

If there exists conflict of interests deemed to be material by the Board found in the matters to be considered by substantial shareholders or directors at the Board, the relevant matters shall be handled by means of holding a Board meeting (but not written resolutions). Independent non-executive directors themselves and their associates, have no material interest in the transaction should be present at such Board meeting.

**Article 125** The notice of Board meetings may be delivered in the manner(s) as set out in Article 205 of these Articles of Association.

The notice shall be in Chinese, and its English version and the agenda for the meeting may be attached if necessary.

For the directors who have attended the meeting, a notice of the Board meeting will be deemed to have been issued if such directors failed to raise any issues of not having received such notice before or upon the Board meeting.

**Article 126** A notice of Board meeting shall include the following contents:

- (I) Date and place of meeting;
- (II) Duration of the meeting;

(III) Causes and agenda;

(IV) Date of issuance of notice.

**Article 127** For any major matters to be determined by the Board of the Company, sufficient information shall be provided to the directors and the directors are entitled to request supplementary materials. When more than one-fourths of the directors or two or more external directors (referring to such directors who have no executive positions in the Company) consider that the materials provided is insufficient or the reasoning is unclear, they may jointly propose to defer the Board meeting or defer the Board's consideration on the relevant matters, and the Board shall accept such suggestions accordingly.

**Article 128** The Board meeting shall not be held unless more than one half of the directors (including proxies) are present.

Unless otherwise provided in other articles herein, resolutions of the Board shall be required to be passed by more than one half of all the directors.

As for the voting on a Board resolution, each director shall have one vote. When the number of votes cast for and against a resolution is the same, the chairman of the Board shall have a casting vote.

**Article 129** The directors shall attend a Board meeting in person. If a director is unable to attend such meeting for any reasons, he may appoint another director in writing to attend such meeting on his behalf. The authorization letter shall contain the name of the representative, the matters represented, scope of authorization and validity period. Such letter shall be signed or sealed by the principal.

The appointed director who attends the meeting shall exercise a director's duties within the authorized scope. If a director fails to attend a Board meeting in person and fails to appoint a representative to attend the meeting, he/she shall be deemed to have waived his/her voting rights at the meeting.

The Company shall bear the reasonable expenses incurred by directors attending the Board meetings. Such expenses may include costs for transportation from the place(s) where the directors reside to the venue of the meeting (if such venue is not located at the place where directors are stationed), meal and accommodation expenses and local transportation costs during the duration of the meeting.

**Article 130** If there are connected relationships between the enterprises involved in the matters set out in the resolutions of the directors and the Board, a director may not exercise his/her voting right, nor shall he/she vote on behalf of other directors. Such Board meeting can be held if more than one half of the non-connected directors attend such meeting. Resolutions made by the Board meeting shall be required to be passed by more than one half of the non-connected directors. If less than three non-connected directors attend the Board meeting, the matter shall be submitted to the general meeting for consideration.

**Article 131** The Board meeting shall vote for resolutions by way of disclosed ballot.

**Article 132** The Board shall keep minutes of its decisions on the matters discussed at the

meeting. The directors who attend the meeting shall sign on the minutes of such meeting.

The directors shall be responsible for the resolutions of the Board. Where a resolution of the Board is in violation of laws, administrative regulations or these Articles of Association, thereby causing serious losses to the Company, the directors who took part in the resolution shall be liable to the Company for damages. However, where a director can prove that he/she expressed his/her opposition to such resolution when such resolution was put to the vote, and that such opposition was recorded in the minutes of the meeting, the director shall be relieved from such liability.

The minutes of Board meeting shall be kept as a company file for a period of no less than ten years.

**Article 133** The minutes of the Board shall consist of the following:

- (I) date and venue of the meeting and the name of the convener;
- (II) the name of the director present and name of director being appointed to attend on the other's behalf (proxy);
- (III) the agenda;
- (IV) the main points of directors' speeches;
- (V) the voting method of each resolution and the result (and the result shall specify the number of votes for, against and abstaining from such resolution).

## **CHAPTER 6 SECRETARY TO THE COMPANY**

**Article 134** The Company shall appoint a company secretary to ensure good communication between and among the members of the Board and to ensure such Board members to follow the policies and procedures of the Board. The company secretary shall report duty to the chairman of the Board and/or the general manager, advise the Board on corporate governance matters through the chairman of the Board and/or the general manager, and shall also arrange for on-job training and professional development of directors.

**Article 135** The selection, appointment and dismissal of a company secretary shall be subject to approval by the Board. Decisions in this regard shall be made by convening physical meeting of the Board but not by way of written resolutions. The company secretary shall be an individual who, by virtue of his academic or professional qualifications or relevant experience is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of company secretary.

The Company may select its company secretary from and among the employees of the Company who should have day-to-day knowledge of the Company's business. It may also engage an external service provider as its company secretary, in which case it should designate a senior management to act as a contact point with such external service provider.

**Article 136** The company secretary shall undergo no less than 15 hours of professional training in each financial year.

**Article 137** All directors should have access to the advice and services of the company secretary to ensure that Board procedures, and all applicable law, rules and regulations, are observed.

## **CHAPTER 7 GENERAL MANAGER AND OTHER SENIOR MANAGEMENT**

**Article 138** The Company shall have a team of managers who, under the steering of the Board, implements the decisions of the Board and supervises the Company's daily business operation. A general manager responsibility system shall be run within the team of managers.

Before making decisions on significant matters of the Company, the team of managers shall seek advice from the Party organization.

The Company shall have one general manager who shall be appointed or dismissed by the Board. The Company shall have several deputy general managers, who are responsible for assisting the general manager, shall be nominated by the general manager, and appointed and dismissed by the Board.

"Senior management" includes the general manager, deputy general manager, financial officer, the Board secretary, and other persons engaged by the Board as the senior management of the Company.

**Article 139** The circumstances set out in Article 100 hereof under which the relevant persons shall not serve as directors shall also apply to the senior management. The provisions of Article 102 hereof on the faithful obligations of directors and of items (IV) to (VI) in Article 103 hereof on the diligence obligations shall also apply to the senior management.

**Article 140** Persons who hold administrative posts other than directors and supervisors in any controlling shareholder of the Company shall not serve as the senior management of the Company.

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

**Article 141** The term of office of the general manager shall be three years. The general manager shall be re-elected upon reappointment.

The general manager can submit his resignation prior to the expiry of his term of office. The procedure concerning the general manager's resignation shall be stipulated by the employment contract by and between the general manager and the Company. Should the general manager fail to perform his duties for special reasons, one senior management designated by the Board shall perform the duties of the general manager on his behalf.

A director may concurrently act as the senior management.

**Article 142** The Company's general manager shall be accountable to the Board and shall exercise the following functions and powers:

- (I) to lead the Company's production, operation and management, and report to the Board;
- (II) to organize and implement the Board's resolutions;

- (III) to organize the implementation of the Company's annual business plan and investment plan formulated by the Board;
- (IV) to draft plans for the establishment of the Company's internal management structure;
- (V) to formulate the structure scheme for any branch(es) of the Company;
- (VI) to draft the basic management system of the Company;
- (VII) to formulate detailed rules and regulations of the Company;
- (VIII) to propose to the Board the appointment or dismissal of the Company's deputy general manager(s), financial controller and other senior management;
- (IX) to appoint or dismiss other management officers other than those required to be appointed or dismissed by the Board;
- (X) to exercise other powers conferred upon by these Articles of Association or the Board.

**Article 143** The Company's general manager shall attend the meetings of the Board. A non-director manager shall not have the right to vote at such meetings.

**Article 144** The general manager shall formulate the detailed working rules of the general manager, and such working rules shall be submitted to the Board for approval.

The working rules of the general manager shall include the following:

- (I) conditions, procedures and the number of participants for convening meetings of the managers officers;
- (II) respective duties and division of work among the general manager and other senior management;
- (III) the authority in using company funds and assets as well as the signing of significant contracts, together with the system of reporting to the Board and the board of supervisors;
- (IV) other matters deemed to be necessary by the Board.

**Article 145** The Company shall have one secretary to the Board who shall be appointed by the Board. The secretary to the Board shall take charge of the preparation of the general meetings and the Board meetings, the safekeeping of documents, the management of the information of shareholders, the handling of information disclosure affairs, etc.

The secretary to the Board shall comply with laws, administrative regulations, departmental rules, the securities regulatory rules in the place where the Company's shares are listed, and these Articles of Association.

**Article 146** The senior management who violates laws, administrative regulations, departmental rules or these Articles of Association and causes losses to the Company in performing his/her duties shall be liable for compensation.

**Article 147** The senior management shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. The senior management that violates laws, administrative regulations, departmental rules, the regulatory rules of the place where the Company's shares are listed, and these Articles of Association and causes losses to the Company and public shareholders in performing duties of the Company shall be liable for compensation.

## **CHAPTER 8 BOARD OF SUPERVISORS**

### **Section 1 Supervisors**

**Article 148** The circumstances set out in Article 100 hereof under which the relevant persons shall not serve as Directors shall also apply to the supervisors. A director and a senior management officer cannot concurrently act as a supervisor.

**Article 149** The term of office of a supervisor shall be 3 years. Upon its expiry, the supervisor's term of office shall be renewable upon re-election and reappointment.

**Article 150** When a supervisor's term of office expires while a new supervisor is not yet appointed, or when a supervisor resigns during his term of office, leading to the number of members in the board of supervisors falling below the quorum, and before the newly appointed supervisor takes up his appointment, the original supervisor shall continue to perform his duties according to the provisions of laws, administrative regulations and these Articles of Association.

**Article 151** A supervisor shall ensure that the information disclosed by the Company is true, accurate and complete.

**Article 152** A supervisor may attend meetings of the Board. He can also question or make suggestions concerning proposed resolutions at the Board meeting.

**Article 153** A supervisor may not make use of his or her connected relationship to harm the Company's interests. For any losses caused to the Company arising therefrom, he shall be liable to make indemnification.

**Article 154** A supervisor shall bear the faithful obligations and diligence obligations to the Company and not take advantage of his/her functions and powers to accept bribes or other illegal incomes, and not misappropriate the property of the Company in accordance with the provisions of laws, administrative regulations and these Articles of Association.

If a supervisor violates the provisions of laws, administrative regulations, departmental rules and regulations or these Articles of Association while performing the duties for the Company and causing losses to the Company, he shall be liable to make indemnification.

## **Section 2 Board of Supervisors**

**Article 155** The Company shall establish a board of supervisors.

**Article 156** The board of supervisors shall be composed of three supervisors, one of whom shall be the chairman of the board of supervisors.

The appointment and dismissal of the chairman of the board of supervisors shall be passed by more than two-thirds of its members.

**Article 157** The board of supervisors shall be composed of shareholder representative supervisors and employee representative supervisors. The shareholder representative supervisors shall be elected and dismissed by the general meeting, and the employee representative supervisors shall be no less than one-third of the members of the board of supervisors, and democratically elected and dismissed by the Company's employees.

**Article 158** The board of supervisors shall be accountable to the general meeting and exercise the following functions and powers according to laws:

- (I) to review the Company's periodical reports prepared by the board of directors and to express its comments in writing;
- (II) to examine the Company's financial standing;
- (III) to supervise the directors and senior management officers in performing their duties, and to put forward suggestions for dismissing any directors or senior management officers who are in violation of laws, administrative regulations, these Articles of Association or resolutions of the general meetings;
- (IV) to demand rectification made by a director and any other senior management officers when the act of the foregoing persons damages the Company's interests;
- (V) to propose to convene an extraordinary general meeting and to convene and preside over general meetings when the Board fails to perform such duties of convening and presiding over general meetings;
- (VI) to submit proposals to the general meetings;
- (VII) to propose to convene an extraordinary meeting of the Board;
- (VIII) to bring legal action against the directors and senior management officers in accordance with the provisions of the Company Law;
- (IX) to conduct investigations upon discovery of abnormality in the business operation and engage professional firms such as accounting firms and law firms to assist its work where necessary. The cost shall be borne by the Company;
- (X) any other functions and powers as stipulated by these Articles of Association.

**Article 159** The meeting of the board of supervisors shall be held at least once every six months, which shall be convened and presided over by the chairman of the board of

supervisors. A supervisor may propose to convene an extraordinary meeting of the board of supervisors.

Where the chairman of the board of supervisors is incapable of performing or fails to perform his duties, a supervisor elected by not less than half of the supervisors shall convene and preside over the meeting of the board of supervisors.

**Article 160** The board of supervisors shall formulate the working rules for the board of supervisors, specifying the conduct and voting procedures of the board of supervisors, in order to ensure the efficiency of work and scientific decision-making. The convening and voting procedures stipulated in the working rules of the board of supervisors (appended to these Articles) shall be drafted by the board of supervisors and approved by the general meeting.

**Article 161** A meeting of the board of supervisors shall not be conducted unless it is attended by more than half of the supervisors. Voting at the meeting of board of supervisors shall be carried out by disclosed ballot and each supervisor shall have one vote. A supervisor shall attend meetings of the board of supervisors in person, or appoint in writing another supervisor to attend the meeting on his behalf during his absence with cause. The proxy form shall specify the extent of authorization.

Resolutions at the meeting of the board of supervisors shall be passed by more than two-thirds of the supervisors' votes.

**Article 162** The discussed issues shall be recorded in the minutes of the meeting of the board of supervisors. Supervisors attending the meeting shall sign on the minutes of meetings.

Supervisors are entitled to request that an explanation of their comments made at the meetings be noted in the minutes. Minutes of meeting of the board of supervisors shall be maintained as company files for at least ten years.

**Article 163** A notice of the regular meeting of board of supervisors to all supervisors shall be given in writing 10 days prior to the convening of such meeting. A notice of the extraordinary meeting of board of supervisors to all supervisors shall be given in writing 3 days prior to the convening of such meeting.

A notice to a board of supervisors meeting shall include the following contents:

- (I) date, venue, and duration of the meeting;
- (II) causes and issues of discussion;
- (III) date of issuance of notice.

**Article 164** The Company shall bear the reasonable expenses incurred by supervisors in attending meetings of the board of supervisors. Such expenses may include costs for transportation to the venue of the meeting (if not the region where supervisors are stationed), meal and accommodation expenses, rental for the meeting venue and local transportation costs during the duration of the meeting.

The reasonable expenses incurred by the board of supervisors in the engagement of professionals such as lawyers, certified public accountants, practicing auditors, etc., to perform its functions and powers shall be borne by the Company.

## CHAPTER 9 FINANCIAL AND ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION

### Section 1 Financial and Accounting System

**Article 165** The Company shall formulate its own financial and accounting systems in accordance with the provisions of laws, administrative regulations and relevant state departments.

**Article 166** The Company shall adopt the calendar year as its fiscal year which shall begin from 1 January and end on 31 December of the Gregorian calendar per annum.

The Company shall prepare financial reports at the end of each fiscal year, and such reports shall be examined and verified according to laws.

**Article 167** At each annual general meeting, the Board shall submit to the shareholders such financial reports prepared by the Company pursuant to the relevant laws, administrative regulations and such regulatory documents promulgated by the local governments and the competent authorities. The annual general meeting for a particular year shall be held within no more than six months from the settlement date to which the annual accounts for that year is made up.

**Article 168** The financial reports of the Company shall be made available for inspection by shareholders 20 days prior to an annual general meeting to be convened. Each shareholder of the Company shall have the right to obtain a copy of the financial reports referred herein this Chapter.

The financial reports mentioned in the preceding paragraph shall include the report of the Board, together with the balance sheet (including each document required to be attached thereto in accordance with the laws and administrative regulations of the PRC or others), profit and loss account or income and expenditure statement, or (to the extent that it is not in violation of the relevant PRC laws) the summary of financial reports approved by Hong Kong Stock Exchange.

At least 21 days before the annual general meeting is convened, and in any event no more than four months from the end of the relevant year, the Company shall deliver the foregoing reports to each holder of overseas-listed shares by postage-paid mail or other means (including through posting at the Company website or other websites as designated by the relevant stock exchange or sent by electronic means) permitted by the laws and regulations or listing rules of the stock exchange(s) in the place(s) in which the shares are listed, at the recipient's address as registered in the shareholders register.

The Company shall also send interim financial reports to each holder of overseas-listed shares for the first six months of each fiscal year. The time of delivery shall be three months upon the completion of such six-month period.

**Article 169** The financial statements of the Company shall be prepared not only in accordance with the PRC accounting standards, laws and regulations but also in accordance with the international accounting standards or the accounting standards of the place(s) outside the PRC where shares of the Company are listed. If the financial

statements prepared in accordance with such two sets of accounting standards differ significantly, such differences shall be stated in notes appended to such financial statements. For the purpose of the Company's distribution of after-tax profits in a given fiscal year, the amount, whichever is less, of after-tax profits shown in the said two foregoing financial statements shall prevail.

**Article 170** Interim results or financial information published or disclosed by the Company may be prepared either in accordance with the PRC accounting standards, laws and regulations or the international standards or the accounting standards of the place(s) outside the PRC where shares of the Company are listed.

**Article 171** The Company shall publish two financial reports in each fiscal year, that is an interim financial report within 60 days upon the completion of the first six months of a fiscal year and an annual financial report within 120 days upon the completion of a fiscal year.

If the securities regulatory authorities of the place where the shares of the Company are listed have other requirements, such requirements shall be followed.

**Article 172** The Company may not maintain any account books other than statutory account books. Assets of the Company shall not be held in any accounts opened under the names of any individuals.

**Article 173** Where a company distributes its after-tax profits of the current year, it shall allocate 10% of the profits as the Company's statutory common reserve. The Company may make no more allocation should the accumulative balance of the Company's statutory common reserve account for more than 50% of the Company's registered capital.

Should the accumulative balance of the Company's statutory common reserve be insufficient to make up for the losses of the Company of the previous year, the current year's profits shall first be used for making up such losses before the statutory common reserve is allocated according to the provisions of the preceding paragraph.

After the Company has allocated the statutory common reserve from the after-tax profits, it may allocate a discretionary common reserve from the after-tax profits, upon a resolution being made by the general meeting.

After the Company has made up for the losses and has allocated statutory common reserve, it shall distribute the remaining profits to the shareholders based on their shareholding ratios, except for distribution made not based on the shareholding ratios as provided herein these Articles of Association.

Should the general meeting distribute the profits to the shareholders before the losses has been made up and the statutory common reserves has been allocated, in violation of the provisions of the preceding paragraph, the profits thus distributed in violation of such provisions must be returned to the Company.

No profit shall be distributed in respect of the shares of the Company being held by the Company.

**Article 174** The reserve of the Company is used to make up for the Company's losses, expand the production operation of the Company or increase the Company's capital. However, capital reserve shall not be used to make up for the Company's losses.

When statutory common reserve is converted into capital, the remaining balance

of such reserve shall not be less than 25% of the registered capital of the Company before the conversion.

**Article 175** The Company shall pay cash dividends and other payments in RMB to domestic shareholders. Such payments made by the Company to holders of overseas-listed shares shall be denominated and declared in Renminbi and paid in Hong Kong dollars. Such Hong Kong dollars required for the Company's payment of cash dividends and other payments to the holders of overseas-listed shares shall be handled pursuant to the relevant provisions of the State administration of foreign exchange.

The Board shall be authorized by way of an ordinary resolution passed by the general meeting to implement the dividend distribution of the Company.

**Article 176** The Company shall appoint a receiving agent for holders of overseas-listed shares to collect on behalf of the relevant shareholders the dividends distributed and other funds payable in respect of overseas-listed shares.

The receiving agent appointed by the Company shall meet the requirements of the laws of the place(s) of such listing, or the relevant provisions of the stock exchange(s) of such listing.

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

Subject to complying with the relevant PRC laws and regulations and the provisions of the Hong Kong Stock Exchange, the Company may exercise the right to forfeit unclaimed dividends, but such right shall not be exercised until and upon the expiration of the applicable corresponding limitation period after the dividend has been declared to be distributed.

The Company has the right to cease delivering such dividend warrants by post to holders of overseas-listed shares, provided that such power shall not be exercised until and such dividend warrants have been so left uncashed on two consecutive occasions. However, such power may also be exercised by the Company should such warrant be undelivered and returned for the first attempt of delivery.

In the event of exercising the right to issue warrants to holders, no new warrants shall be issued to replace the lost ones unless the Company confirms, without any reasonable doubts, that the original warrants have been destroyed.

The Company has the right to sell the shares of a holder of the overseas-listed shares where such holder cannot be contacted in such manner deemed to be appropriate by the Board but the Company must observe the following conditions:

- (I) during a period of twelve years, there have been at least three distribution of such dividends in respect of the shares in question and no dividend during that period has been claimed;
- (II) upon the expiry of the twelve-year period, the Company shall give a notice

stating its intention to sell the shares by way of an announcement published in one or more newspaper in the place where the Company is listed and shall notify the stock exchange(s) of such listing of such shares of such intention.

**Article 177** After the general meeting of the Company has resolved on the plan to allocate profits, or the Board has formulated a specific plan based on the conditions and upper limit of the interim dividend for the subsequent year as approved by the annual general meeting, the Board shall complete the distribution of dividends (or dividend shares) within 2 months.

**Article 178** The Company will give full consideration to the interests of shareholders and shall implement reasonable profit distribution policy according to the business situation and market environment. The Company's profit distribution policy shall maintain its continuity and stability to the greatest extent, and give priority to cash dividends according to the specific profit sharing ratio which is to be passed by a resolution by the general meeting pursuant to laws.

## **Section 2 Internal Audit**

**Article 179** The Company shall implement the internal audit system, establish internal audit body and appoint full-time auditors to supervise its financial revenues and expenditures and economic activities through internal audit.

**Article 180** The Company's internal audit system and the duties of the auditors shall be implemented upon the approval of the Board. The chief auditor shall be accountable and report to the Board.

## **Section 3 Appointment of Accounting Firm**

**Article 181** The Company shall engage an independent accounting firm that complies with the relevant provisions of the State to audit its financial statements, verify its net assets and provide other relevant consultancy services.

**Article 182** The term of engagement of an accounting firm engaged by the Company shall be one year, commencing from the conclusion of the current annual general meeting to and until the conclusion of the next annual general meeting and can be re-appointed.

**Article 183** The appointment of the accounting firm by the Company must be determined by the general meeting. The Board may not appoint an accounting firm before it is approved by the general meeting.

**Article 184** The Company guarantees to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the hired accounting firm, and shall not refuse, conceal or make false reports.

**Article 185** The audit fees of an accounting firm shall be decided upon by the general meeting.

**Article 186** Where the Company dismisses or no longer reappoint an accounting firm, it shall notify the accounting firm 15 days in advance. The accounting firm is entitled to present its views when the resolution regarding the removal of the accounting firm is considered at the general meeting of the Company. Where an accounting firm

proposes its resignation, it shall explain to the general meeting whether there are any irregularities in the Company.

## **CHAPTER 10 MERGER, DIVISION, DISSOLUTION AND LIQUIDATION OF THE COMPANY**

### **Section 1 Merger and Division**

**Article 187** The merger of a company may be effected by way of a merger or a new consolidation.

As for a merger, both parties to the merger shall enter into an agreement of merger with each other and prepare the balance sheets and checklists of properties. The companies involved shall notify the creditors according to the Company Law, and shall make a public announcement on newspaper recognized by the stock exchange of the place(s) where the Company's shares are listed, and a creditor has the right, within 30 days from the receipt of such notice from the Company; or, for creditors who do not receive the notice, within 45 days from the date of the announcement, to request the Company to clear off its debts or provide corresponding guarantees.

In the case of a merger, the respective creditors' rights and debts of all parties thereto the merger shall be inherited by the existing company, or the newly established company upon the merger.

**Article 188** As for the division of a company, the properties thereof shall be divided accordingly.

As for the division of a company, the balance sheets and checklists of properties of the Company shall be prepared. The companies involved shall notify the creditors according to the provisions of the Company Law, and make a public announcement on newspaper recognized by the exchange of the place(s) where the Company's shares are listed.

Debts owed by the Company prior to the division shall be jointly assumed by the existing companies upon the division, save as otherwise agreed by written agreement with the Company and the creditors prior to the division.

**Article 189** In case of a reduction in the Company's registered capital, the Company shall prepare a balance sheet and a property list.

The Company shall notify its creditors within ten days since the date on which the resolution to proceed with the reduction in the registered capital is adopted, and publish an announcement on the division in a provincial or higher-level newspaper within 30 days. Creditors shall, within 30 days since the date of receiving the notice, or creditors who do not receive the notice shall, within 45 days since the date of the announcement, be entitled to require the Company to pay off its debts in full or to provide a corresponding guarantee.

The registered capital of the Company following the reduction shall not fall below the minimum statutory requirement.

**Article 190** Where any of the registered items is changed due to a merger or division of a company, the Company shall process the changes of registration with the company registration authority. Should the Company be dissolved, it shall be deregistered according to laws. If a new company is established, it shall go through the registration for company establishment according to laws.

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 191** The Company shall be dissolved upon the following reasons:

- (I) Any of the causes for dissolution as stipulated in these Articles of Association is present;
- (II) The general meeting resolves to dissolve it;
- (III) It is necessary to be dissolved due to merger or division of the Company;
- (IV) Its business license is revoked or it is ordered to close down or to be dissolved according to laws; or
- (V) In the event that the Company has encountered serious difficulties in operation and management and that the interests of the shareholders of the Company are caused to suffer from substantial loss due to the continuing existence of the Company while such issue cannot be solved by any other means, the shareholders who hold 10% or more of the voting rights of all the shareholders of the Company may file an application with the people's court to dissolve the Company.

**Article 192** Where the Company is dissolved according to the provisions of Article 191 (I), (II), (IV) or (V) of these Articles of Association, a liquidation team shall be formed within 15 days of the occurrence of the causes of dissolution, to carry out liquidation. The liquidation team shall be composed of the directors or any other people as determined by the general meeting. Where no liquidation team is formed within the time limit, the creditors may file an application with the people's court to designate relevant persons to form a liquidation team to carry out liquidation.

**Article 193** The liquidation team shall, within 10 days of its formation, notify the creditors, and shall, within 60 days, make a public announcement on newspaper recognized by the stock exchange(s) where the shares of the Company is/are listed. Creditors shall, within 30 days of the receipt of the notice or within 45 days of the release of the public announcement in the case of failure to receive said notice, file their creditors' rights with the liquidation team.

Where creditors file their creditors' rights, they shall explain about the matters related to creditors' rights, and shall provide the evidencing materials. The liquidation team shall register the creditors' rights.

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

**Article 194** The liquidation team shall exercise the following functions and power during the period of liquidation:

- (I) liquidating the properties of the Company, and preparing the balance sheets and asset checklists separately;
- (II) informing creditors by a notice or public announcement;

- (III) disposing of and liquidating the unfinished businesses of the Company;
- (IV) clearing off the outstanding taxes and the taxes incurred from the process of liquidation;
- (V) clearing off credits and debts;
- (VI) disposing of the residual properties after settling such debt; and
- (VII) participating in the civil litigation on behalf of the Company.

**Article 195** After the liquidation team has liquidated the properties of the Company and has prepared the balance sheets and checklists of properties, it shall prepare a plan of liquidation, and report it to the general meeting or the people's court for confirmation.

The remaining assets that result from paying off the liquidation expenses, wages of employees, social insurance premiums and statutory compensation, the outstanding taxes and the debts of the Company may be distributed according to the ratios of shareholding of the shareholders.

During the period of liquidation, the Company continues to exist but may not carry out any business operation that is not for purposes of carrying out liquidation. Before the settlement of repayments as provided in the preceding article has been made, the Company's properties shall not be distributed to shareholders.

**Article 196** Should the liquidation team find that the properties of the Company is insufficient for clearing off the debts after liquidating the properties of the Company and preparing the balance sheets and checklists of properties, it shall immediately apply to the people's court to declare the Company's bankruptcy pursuant to laws.

Once the people's court declares the bankruptcy of the Company, the liquidation team shall hand over the liquidation matters to the people's court.

**Article 197** Following the completion of the liquidation of the Company, the liquidation team shall prepare a liquidation report and submit the same to the general meeting or the people's court for confirmation. And the Company shall submit it to the company registration authority to apply for the company de-registration, and to announce that the Company is terminated.

**Article 198** The members of the liquidation team shall devote themselves to their duties and fulfill their obligations of liquidation according to laws.

None of the members of the liquidation team may take any bribe or any other illegal proceeds by taking advantage of his/her position, nor may he/she misappropriate any of the properties of the Company.

Where any members of the liquidation team cause any loss to the Company or any creditor with intention or due to gross negligence, he/she shall be liable to make indemnification.

**Article 199** If the Company is declared bankrupt, the bankruptcy liquidation shall be implemented in accordance with the laws on enterprise bankruptcy.

## CHAPTER 11 AMENDMENT TO THE ARTICLES OF ASSOCIATION

**Article 200** The Company may amend these Articles of Association in accordance with the provisions of laws, administrative regulations and these Articles of Association.

**Article 201** Under any one of the following circumstances, the Company shall amend its Articles of Association:

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

**Article 202** Amendment to the Articles of Association passed by resolutions at the general meeting shall be required to be examined and approved by the competent authorities, and shall be submitted to the competent authorities for approval. Should the registration of the Company be involved, the change to such registration shall be handled according to laws.

**Article 203** The Board shall amend these Articles of Association according to the resolutions of the general meeting and the opinions of the relevant competent authority.

Notwithstanding the foregoing paragraph, in the following circumstances, the general meeting may pass a resolution to authorize the Board to amend these Articles of Association in line with the following principles:

- (I) Where as a result of the implementation of the general meeting's resolution, there is the need to make necessary non-substantive modifications (as required in accordance with the resolutions of the general meeting which involve amendments to, among others, the registered capital amount, the number of shares and the name and address of the Company in the Articles of Association), the Board shall have the right to modify these Articles of Association according to specific circumstances;
- (II) In the event that changes in the text or the order of the articles are necessary for filing the Articles of Association approved by the general meeting with the competent authority the Board is entitled to amend these Articles of Association in accordance with the requirements of the competent authority.

**Article 204** Any amendment to these Articles of Association that involves information to be disclosed as required by the law, regulations or the listing rules of the place(s) in which the shares of the Company are listed, shall be publicly announced as required.

## CHAPTER 12 NOTICE(S)

**Article 205** Notices of the Company may be served through means as follows:

- (I) delivery by hand;

- (II) by post;
- (III) by fax or email;
- (IV) by public announcement;
- (V) other means as prescribed between the Company and the recipient or as confirmed means upon notice; or
- (VI) other means approved by the relevant regulatory agency of the place(s) in which the shares of the Company are listed or as set out in these Articles of Association.

Where the Company issues a notice by public announcement, the notice should be published on the designated website of the stock exchange where the shares of the Company are listed, all relevant personnel shall be deemed to have received such notice once the public announcement has been made.

Under the premise of the Company's compliance with the relevant listing rules of the stock exchange(s) of the place(s) in which the shares of the Company are listed, regarding the provision and/or distribution by the Company of corporate communications to holders of the overseas-listed shares in accordance with requirements of such listing rules, the Company may also electronically or at the company's website or the website of the stock exchange(s) of the place(s) in which the shares of the Company are listed post such information so as to transmit or provide the same to such holders, in lieu of such delivery by hand or postage prepaid mail.

**Article 206** Unless otherwise provided in these Articles of Association, all means of service of notice as set out in the preceding Article may also be applicable to notices for general meeting, meetings of Board or the board of supervisors.

**Article 207** If the notice is served by hand, the date of service is the date of acknowledgment of receipt by signature (or affixed seal) on the service return slip. If the notice is sent by post, the date of service is the fifth working day from the date of delivery at the post office. If the notice is made via facsimile or e-mail, the date of service is the date of transmission. If the notice is made by public announcement, the date of service is the date of the first publication of the public announcement.

**Article 208** Where relevant corporate documents must be in English accompanied by a Chinese version and be served through delivery, post, distribution, sending out, announcement or other means according to the requirements of the listing rules of the stock exchange(s) of the place(s) in which the shares of the Company are listed, in respect of shareholders who under proper arrangements by the Company confirm to receive such information only in English or Chinese version as well as to the extent of the applicable laws and regulations, the Company may send such documents in the English or Chinese version to relevant shareholders as they so wish.

**Article 209** 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.

## CHAPTER 13 SUPPLEMENTARY PROVISIONS

**Article 210** Definition

- (I) In these Articles of Association, “controlling shareholder” means a shareholder who holds ordinary shares (including preferred shares with voting rights restored) representing 50% or more of the total share capital of the Company, or a shareholder having sufficient voting right in respect of the shares who holds to pose a significant influence on the resolutions of the general meetings despite holding less than 50% of the total share capital of the Company.
- (II) A “de facto controller” means a person who, though not a shareholder, but through investment relationships, agreements, or other arrangements, may actually control the activities of the Company;
- (III) “Associated relationship” is the relationship between the controlling shareholder, de facto controller, directors, supervisors or senior management, and enterprises directly or indirectly controlled by them, as well as other relationships which may possibly cause the transfer of the Company’s interests. However, enterprises owned by the State will not be regarded as having associated relationships among themselves only because they are owned by the State.

**Article 211** In these Articles of Association, the terms “not less than”, “within”, “not more than” and “previous” shall include the given figure, and the terms “more than half”, “under”, “beyond”, “exceeding”, “below”, “less than”, “not more than” and “more than” shall not include the given figure.

**Article 212** The term “accounting firm” as used in these Articles of Association shall have the same meaning as “auditor”.

**Article 213** These Articles of Association are written in Chinese. If it conflicts with a version in any other language, the Chinese version which was most recently filed and registered at the competent ministry for market regulation shall prevail.

**Article 214** Matters uncovered in the Articles of Association shall be governed by laws, administrative regulations, relevant requirements of the securities regulatory agencies in the place where our Company’s Shares are listed and combining the actual situation of the Company. In case of any contradiction of these Articles of Association with any laws, administrative regulations, other relevant normative documents and listing rules of the stock exchange(s) of the place(s) in which the shares of the Company are listed, those laws, administrative regulations, other relevant normative documents and listing rules of the stock exchange(s) of the place(s) in which the shares of the Company are listed shall prevail.

**Article 215** The Board shall be responsible for the interpretation of these Articles of Association. The appendix to these Articles of Association shall include the Procedural Rules for General Meetings, the Procedural Rules for Meetings of the Board and the Procedural Rules for Meetings of the Supervisory Committee.