

**AuGroup (SHENZHEN) Cross-Border Business Co., Ltd.**  
**Articles of Association (Draft)**

(The Articles of Association was considered and approved at the Second Extraordinary General Meeting of 2024 held on 19 March 2024, and shall become effective on the date when the Company's overseas listed foreign shares are approved by the relevant regulatory authorities to be listed and traded on the Hong Kong Stock Exchange Limited)

**November 2024**

## CONTENTS

|  |    |
|--|----|
| <b>Chapter 1 General Provisions</b>  | 3  |
| <b>Chapter 2 Objectives and Scope of Business</b>  | 4  |
| <b>Chapter 3 Shares</b>  | 5  |
| Section 1 Issuance of Shares   | 5  |
| Section 2 Increase, Reduction and Repurchase of Shares   | 7  |
| Section 3 the Transfer of Shares   | 8  |
| <b>Chapter 4 Shareholders and the General Meeting</b>  | 9  |
| Section 1 Shareholders   | 9  |
| Section 2 General Rules of the General Meeting   | 12 |
| Section 3 Convening of General Meeting   | 17 |
| Section 4 Proposals and Notification of General Meeting  | 18 |
| Section 5 Holding of General Meeting   | 20 |
| Section 6 Voting and Resolution at the General Meeting   | 23 |
| <b>Chapter 5 Board of Directors</b>  | 28 |
| Section 1 Directors  | 28 |
| Section 2 Board of Directors   | 31 |
| Section 3 Secretary to the Board of Directors  | 37 |
| <b>Chapter 6 General Manager and Other Senior Management</b>   | 38 |
| <b>Chapter 7 Board of Supervisors</b>  | 40 |
| Section 1 Supervisors  | 40 |
| Section 2 Board of Supervisors   | 41 |
| <b>Chapter 8 Financial and Accounting Systems, Profit Distribution and Auditing</b>                      | 43 |
| Section 1 Financial and Accounting Systems   | 43 |
| Section 2 Internal Audit   | 45 |
| Section 3 Appointment of Accounting Firm   | 45 |
| <b>Chapter 9 Notice and Announcement</b>   | 45 |
| Section 1 Notice   | 45 |
| Section 2 Announcement   | 46 |
| <b>Chapter 10 Merger, Division, Capital Increase, Capital Reduction,<br/>Dissolution and Liquidation</b> | 46 |
| Section 1 Merger, Division, Capital Increase and Capital Reduction                                       | 46 |
| Section 2 Dissolution and Liquidation  | 47 |
| <b>Chapter 11 Amendments to the Articles of Association</b>  | 49 |
| <b>Chapter 12 Supplementary Provisions</b>   | 50 |

# Articles of Association of AuGroup (SHENZHEN) Cross-Border Business Co., Ltd.

## Chapter 1 General Provisions

**Article 1** For the purposes of safeguarding the legitimate rights and interests of AuGroup (SHENZHEN) Cross-Border Business Co., Ltd. (the “Company”), its shareholders and creditors and regulating the organization and activities of the Company, the Articles of Association has been formulated in accordance with the prevailing and effective Company Law of the People’s Republic of China (《中華人民共和國公司法》) (the “Company Law”), the Securities Law of the People’s Republic of China (《中華人民共和國證券法》) (the “Securities Law”), the Guidelines for the Articles of Association of Listed Companies (Revised in 2023) (《上市公司章程指引》(2023 年修訂)), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and other relevant regulations and after taking into account the actual conditions of the Company

**Article 2** AuGroup (SHENZHEN) Cross-Border Business Co., Ltd. is a joint stock company with limited liabilities established in accordance with the Company Law, the Guidelines for the Articles of Association of Listed Companies (Revised in 2023) and other relevant provisions.

The Company is a joint stock company with limited company established by way of overall change, with all the shareholders of Shenzhen Au E-commerce Company Limited ("Au Limited") as the promoters and through the conversion of the audited book net assets of Au Limited as of March 31, 2015 into shares. On May 25, 2015, the Company was registered with the Administration for Market Regulation of Shenzhen and obtained a business license (Registration No.: 440307104936045); the Company's unified social credit code is 914403005627547288.

**Article 3** The Company’s initial public offering of [•] overseas listed foreign shares (H Shares) was filed with the China Securities Regulatory Commission (the “CSRC”) on September 29, 2024, approved by the Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on [•] [•], [•] and were listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on [•] [•], 2024.

**Article 4** The registered name of the Company:

Chinese name: 傲基(深圳)跨境商務股份有限公司

English name: AuGroup (SHENZHEN) Cross-Border Business Co., Ltd.

**Article 5** The domicile of the Company: Room 106, Kangli Information Valley Building, No.66 Pingji Avenue, Shanglilang Community, Nanwan Street, Longgang District, Shenzhen.; Postal Code: 518000

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

**Article 7** The Company is a perpetual joint stock company with limited liability, and has the qualification of an independent legal person.

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

**Article 9** All the assets of the Company are divided into shares of equal value. The shareholders are responsible for the Company to the extent of their subscribed shares, and the Company is responsible for the Company's debts with all its assets.

**Article 10** The Articles of Association, being the code of conduct for the Company, was considered and approved by the General Meeting of the Company and shall become effective on the date when the Company's overseas listed foreign shares are approved by the relevant regulatory authorities and listed and traded on the Hong Kong Stock Exchange Limited, and shall supersede the Company's previous Articles of Association filed with the Administration for Market Regulation of Shenzhen.

The Articles of Association of the Company shall, from the date on which they take effect, be the legally binding document that regulates the organization and activities of the Company and the relationship of rights and obligations between the Company and the shareholders and among the shareholders, and shall be legally binding on the Company, the shareholders, the directors, the supervisors and senior management. Based on the Articles of Association, any shareholder may bring a lawsuit against another shareholder, a director, a supervisor, a general manager and any other senior officer of the Company. Any shareholder may bring a lawsuit against the Company, and the Company may bring a lawsuit against any shareholder, director, supervisor, general manager and other senior management.

**Article 11** The other senior management referred to in the Articles of Association refers to the deputy general managers, secretary to the Board of Directors, chief financial officer and other personnel as determined by the Board of Directors of the Company.

**Article 12** According to relevant provisions of the Constitution of the Communist Party of China, the Company shall have a Communist Party organization to carry out activities of the Party. The Company shall provide necessary facilitations for the activities of the Party organization.

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

**Article 13** The operational objectives of the Company: Connect the world for a better life.

**Article 14** As registered in accordance with law, the scope of business of the Company includes: e-commerce (where prior administrative licenses are involved, prior administrative licenses must be obtained before operation); technical development and purchase and sale of computer software and hardware and electronic products; information consulting (excluding job referrals and other restricted items); network technology development and web design; domestic trade (except for those items that are required by law, administrative regulations and decisions of the State Council to be approved prior to registration); import and export of goods and technology; property management; non-residential real estate leasing; business agency service; residential leasing. (Except for items subject to approval in accordance with laws and regulations, such business activities shall be carried out with business licenses independently in accordance with laws and regulations).

The Company may adjust its scope of business after approval by the General Meeting and the relevant governmental departments (if necessary) in light of changes in the domestic and overseas markets, business development and its own capabilities, and shall complete the relevant business registration procedures for changes in business registration in accordance with the regulations.

## Chapter 3 Shares

### Section 1 Issuance of Shares

**Article 15** The shares of the Company shall take the form of registered share certificates.

Where the share capital of the Company includes shares that do not carry voting rights, the word “non-voting” must appear on the name of such shares. Where the share capital includes shares with different voting rights, the name of each class of shares, other than those with the most favourable voting rights, must include the words “restricted voting” or “limited voting”.

**Article 16** The Company shall issue shares in an open, equitable and fair manner, and each of the shares in the same class shall carry the same rights.

Share certificates of the same class and the same issuance shall be issued on the same conditions and at the same price. Any entity or individual shall pay the same price for each of the shares for which it/he/she subscribes for.

**Article 17** All share certificates issued by the Company shall be denominated in RMB.

**Article 18** The shares issued by the Company shall be centrally deposited with the China Securities Depository and Clearing Corporation Limited or other securities depository as required by law.

**Article 19** The foreign shares issued by the Company and listed on the Hong Kong Stock Exchange are known in abbreviation as “H Shares”. These are shares which have been approved for listing on the Hong Kong Stock Exchange, have a par value denominated in RMB, and are subscribed to and traded in Hong Kong dollars.

**Article 20** Upon the overall change of the Company into a joint stock company with limited liabilities, the number of shares of the joint stock company held by each of the promoters and the percentage of their shareholding are as follows:

| No. | Name of promoter   | Number of shares held (in ten thousand shares) | Percentage of shareholding | Method of capital contribution    | Date of capital contribution |
|-----|--|--|----------------------------|-----------------------------------|------------------------------|
| 1   | Lu Haizhuan  | 601.0580                                       | 30.0529%                   | Net assets converting into shares | May 18, 2015                 |
| 2   | Ze Kuaiyue   | 372.4860                                       | 18.6243%                   | Net assets converting into shares | May 18, 2015                 |
| 3   | Lu Songdu  | 260.3180                                       | 13.0159%                   | Net assets converting into shares | May 18, 2015                 |
| 4   | Shenzhen Capital Group Co., Ltd.                               | 235.1560                                       | 11.7578%                   | Net assets converting into shares | May 18, 2015                 |
| 5   | Shenzhen Changguo Investment Partnership (Limited Partnership) | 125.0720                                       | 6.2536%                    | Net assets converting into shares | May 18, 2015                 |

| No. | Name of promoter  | Number of shares held (in ten thousand shares) | Percentage of shareholding | Method of capital contribution    | Date of capital contribution |
|-----|---|--|----------------------------|-----------------------------------|------------------------------|
| 6   | Shenzhen Redland Information Venture Investment Limited Company                   | 117.5780                                       | 5.8789%                    | Net assets converting into shares | May 18, 2015                 |
| 7   | Suzhou Times Bole Venture Capital Partnership (L.P.)                              | 70.5480  | 3.5274%                    | Net assets converting into shares | May 18, 2015                 |
| 8   | Suzhou Times Bole Equity Investment Partnership (L.P.)                            | 56.4380  | 2.8219%                    | Net assets converting into shares | May 18, 2015                 |
| 9   | 海門時代伯樂股權投資合夥企業(有限合夥)  | 49.3820  | 2.4691%                    | Net assets converting into shares | May 18, 2015                 |
| 10  | Huizhou Times Bole Medical Consumption Industry M&A Investment Partnership (L.P.) | 42.3280  | 2.1164%                    | Net assets converting into shares | May 18, 2015                 |
| 11  | Suzhou Fuhua Times Bole Equity Investment Partnership (L.P.)                      | 32.0000  | 1.6000%                    | Net assets converting into shares | May 18, 2015                 |
| 12  | Huizhou Times Bole Capital Protected Equity Investment Partnership (L.P.)         | 20.0000  | 1.0000%                    | Net assets converting into shares | May 18, 2015                 |
| 13  | Shenzhen Times Bole Capital Protected Equity Investment Partnership (L.P.)        | 17.6360  | 0.8818%                    | Net assets converting into shares | May 18, 2015                 |
|     | <b>Total</b>  | <b>2,000.0000</b>                              | <b>100%</b>                | -                                 |                              |

**Article 21** The total number of shares of the Company is [•] million, all of which are ordinary shares.

**Article 22** The Company or its subsidiaries (including its affiliates) shall not provide any assistance to the person who purchases or intends to purchase the Company's shares in the form of gifts, advances, guarantees, compensation or loans.

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

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

- (I) a public offering of shares;
- (II) a private placement of shares;
- (III) allotment of bonus shares to existing shareholders;
- (IV) conversion of reserve funds to share capital;
- (V) other methods permitted by laws, administrative regulations and the CSRC.

**Article 24** The Company may reduce its registered capital. Any reduction of the Company's registered capital shall be subject to the procedures prescribed in the Company Law and other relevant regulations, as well as the Articles of Association.

**Article 25** The Company shall not repurchase its shares. However, exceptions are made in any of the following cases in accordance with laws and regulations, the Articles of Association and the relevant provisions of the securities regulatory authorities in the place where the Company's shares are listed:

- (I) to reduce the registered capital of the Company;
- (II) to merge with other companies that hold shares in the Company;
- (III) to use the shares for employee shareholding schemes or as share incentives;
- (IV) to acquire the shares of shareholders (upon their request) who vote against any resolution adopted at any General Meetings on the merger or division of the Company;
- (V) to use the shares to satisfy the conversion of those corporate bonds convertible into shares issued by the Company;
- (VI) to safeguard corporate value and shareholders' equity as the Company deems necessary.
- (VII) other circumstances permitted by laws and regulations, regulatory rules and other provisions of the place where the Company's shares are listed.

**Article 26** The Company may repurchase its own shares through public centralized trading, or through other means recognized by laws, administrative regulations, the CSRC and the stock exchange where the Company's shares are listed.

Where the Company purchases its own shares under any of the circumstances specified in Items (III), (V) and (VI) of Article 25 of the Articles of Association, centralized trading shall be adopted publicly.

**Article 27** The purchase by the Company of its own shares under any of the circumstances specified in Items (I) and (II) of Article 25 of the Articles of Association shall require a resolution of the General Meeting. The purchase by the Company of its own shares under any of the circumstances specified in Items (III), (V) and (VI) of Article 25 of the Articles of Association shall require a resolution of a board meeting attended by two-thirds or more of the directors in accordance with the requirements of the Articles of Association or the authorization of the General Meeting.

In respect of the domestic shares, after the Company purchasing its own shares pursuant to the provisions of Article 25 of the Articles of Association, such shares shall be cancelled within ten days from the date of purchase under the circumstance as described in Item (I); such shares shall be either transferred or cancelled within six months under the circumstances as described in Items (II) and (IV). Where the laws, regulations and the securities regulatory authorities in the place where the Company's shares are listed have any other provisions on matters related to stock repurchase, such provisions shall prevail.

The aggregate number of shares it holds shall not exceed 10% of the total issued shares of the Company under the circumstance as described in Items (III), (V) and (VI) of Article 25 of the Articles of Association; the acquired shares shall be transferred to employees or cancelled within three years.

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

**Article 28** The shares of the Company may be transferred according to law.

All transfers of H Shares shall be effected by a written instrument of transfer in an ordinary or usual form or any other form acceptable to the Board (including the standard transfer format or form of transfer specified by the Hong Kong Stock Exchange from time to time). The instrument of transfer may be signed under hand or by the company's seal (where the transferor or transferee is a corporation). Where the transferor or transferee is a recognized clearing house (as defined by relevant regulations in Hong Kong law effective from time to time) or its nominee, the instrument of transfer may be signed under hand or in a machine-imprinted format. All instruments of transfer shall be maintained at the legal address of the Company or such places as the Board may specify from time to time.

**Article 29** The Company shall not accept its own shares as the subject matter of a pledge.

**Article 30** The shares of the Company held by the promoters thereof shall not be transferred within one year of the date of establishment of the Company. Shares already issued by the Company before the public offering shall not be transferred within one year of the date on which the shares of the Company are listed on the stock exchange.

The directors, supervisors, and senior management of the Company shall declare, to the Company, the information on their holdings of the shares of the Company and the changes thereto. The shares transferrable by them during each year of their term of office shall not exceed 25% of the total shares they hold in the Company. The shares that they hold in the Company shall not be transferred within one year of the date on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer their shares of the Company within half a year from the date of their resignation. Where the rules of the stock exchange where the Company's shares are listed have other provisions on the transfer of shares, such provisions shall also be complied with.



**Article 31** Where the Company's shareholders who hold 5% or more of the Company's shares, directors, supervisors or senior managers sell the Company's shares or other securities with the nature of equity which they hold within six months of the relevant purchase, or purchase any share they have sold within six months of the relevant sale, the proceeds generated therefrom shall be incorporated into the profits of the Company, and the Board of Directors of the Company shall recover the proceeds. However, the following circumstances shall be excluded where a securities company holds 5% or more of the shares of the Company due to its purchase of any remaining shares under best efforts underwriting or where the provisions of the CSRC are applicable.

Shares or other securities with the nature of equity held by directors, supervisors, senior executives and natural person shareholders as mentioned in the preceding paragraph include shares or other securities with the nature of equity held by their spouses, parents or children, and held by them by using other people's accounts.

If the Board of Directors of the Company fails to comply with the first paragraph of this Article, the shareholders are entitled to request the Board of Directors to do so within thirty days. If the Board of Directors of the Company fails to comply within the aforesaid period, the shareholders are entitled to initiate litigation directly in the People's Court in their own names for the interest of the Company.

And if the Board of Directors fails to implement the provisions set forth in the first paragraph of this Article, the responsible directors shall bear joint and several liability in accordance with law.

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

### **Section 1 Shareholders**

**Article 32** The Company shall maintain a register of shareholders based on vouchers provided by securities registries. The register of shareholders shall be ample evidence of holding of the Company's shares by a shareholder. unless there is evidence to the contrary.

Assignment or transfer of shares shall be registered in the register of shareholders. The Company may, in accordance with the understandings and agreements entered into between the securities regulatory authority under the State Council and overseas securities regulatory authorities, maintain its register of shareholders of overseas listed foreign shares outside the PRC and appoint overseas agent(s) to manage such register. The original of the register of shareholders of overseas listed foreign shares listed in Hong Kong shall be kept in Hong Kong. When the original and duplicate of the register of shareholders of overseas listed foreign shares are inconsistent, the original shall prevail.

Any shareholder who is registered in, or any person requests to have his/her name entered into, the register of shareholders may, if his/her share certificate is lost, apply to the Company for a replacement share certificate in respect of such shares. If a holder of domestic unlisted shares loses his/her share certificate and applies for a replacement share certificate, it shall be dealt with in accordance with the relevant provisions of the Company Law. If a holder of overseas listed foreign investor shares loses his/her share certificate and applies for a replacement share certificate, it may be dealt with in accordance with the relevant laws, the rules of the stock exchange and other relevant regulations of the place where the original register of holders of overseas listed foreign investor shares is maintained. Shareholders shall enjoy rights and assume obligations according to the class of shares held by him/her; shareholders who hold existing shares of the same class shall enjoy the equal rights and assume the equal obligations.

**Article 33** When the Company convenes a General Meeting, distributes dividends, conducts liquidation or engages in other acts requiring the identification of shareholders, the Board of Directors or the convener of the General Meeting should determine the record date. The shareholders whose names appear on the register of shareholders after the trading hours on the record date shall be those entitled to the relevant rights and interests.

**Article 34** Shareholders of the Company shall enjoy the right to know, to speak, to question and to vote, details of which are as follows:

- (I) the right to dividends and other distributions in proportion to the number of shares held;
- (II) the right to request, convene, preside over, attend or appoint proxy(ies) to attend the General Meeting and to exercise the corresponding right to vote according to law;
- (III) the right to supervise, present proposals or raise enquiries in respect of the Company's operations;
- (IV) the right to transfer, give as a gift or pledge the shares it holds in accordance with laws, administrative regulations and the Articles of Association;
- (V) the right to inspect the Articles of Association, register of shareholders, corporate bond stubs, minutes of General Meetings, resolutions of the Board of Directors, resolutions of the Board of Supervisors and financial and accounting reports;
- (VI) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining property of the Company in proportion to the number of shares held;
- (VII) shareholders who object to resolutions of merger or division made by the General Meeting may request the Company to purchase the shares they hold, provided that the procedural requirements of the Articles of Association and the relevant laws and regulations in relation to the repurchase of shares by the Company are met;
- (VIII) shareholders separately or aggregately holding more than 3% of the shares of the Company, may propose extraordinary resolutions to the Board of Directors in writing ten days before the convening of such General Meeting;
- (IX) other rights provided for by laws, administrative regulations, departmental rules or the Articles of Association.

**Article 35** Where any shareholder demands to inspect the relevant information or obtain the relevant materials mentioned in the preceding Article, he/she shall submit written documents to the Company proving the class(es) and number of shares of the Company he/she holds. The Company shall provide those requested in accordance with the shareholder's demand after verifying the shareholder's identity.

The Company shall create convenient conditions for shareholders to exercise their shareholders' rights. If the Company unlawfully prevents shareholders from exercising their shareholders' rights such as the right to know, to speak, to question and to vote, shareholders may sue the Company in the People's Court.

**Article 36** If any resolution made by the General Meeting and the Board of Directors of the Company violates laws and administrative regulations, the shareholders are entitled to apply to the People's Court to affirm it as invalid.

If the convening procedure or voting method of the General Meeting or the meeting of the Board of Directors contravenes laws, administrative regulations or the Articles of Association, or if the content of the resolutions of such meeting contravenes the Articles of Association, the shareholders may request the People's Court to revoke the resolution within sixty days of the resolution.

**Article 37** If a director or senior management violates any provisions of laws, administrative regulations or the Articles of Association when performing his/her duties with the Company resulting in losses to the Company, shareholders individually or together holding 1% or more of the shares of the Company for one hundred and eighty or more consecutive days may request the Board of Supervisors in writing to file a lawsuit with the People's Court; If the Board of Supervisors violates laws, administrative regulations or the Articles of Association when performing its duties with the Company resulting in losses to the Company, any shareholder may request the Board of Directors in writing to file a lawsuit with the People's Court.

If the Board of Supervisors or Board of Directors refuses to file such lawsuit after a written request under the preceding paragraph has been received from any shareholder, or fails to file such lawsuit within thirty days from the date when the request has been received, or the situation is so urgent that without an immediate law suit will lead to irreparable losses to the Company, any shareholder under the previous paragraph may file a lawsuit directly with the People's Court in such shareholder's own name, for the interest of the Company.

If any person infringes on any lawful interests of the Company resulting in any losses to the Company, any shareholder under the first paragraph of this Article may file a lawsuit with the People's Court in accordance with the provisions of two preceding paragraphs.

**Article 38** If a director or senior management violates the law, administrative regulations or the Articles of Association prejudicing the interests of any shareholder, such shareholder may file a lawsuit with the People's Court.

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

- (I) to abide by laws, administrative regulations and the Articles of Association;
- (II) to pay the share subscription price based on the shares subscribed for by them and the method of acquiring such shares;
- (III) not to return shares unless prescribed otherwise in laws and regulations;
- (IV) not to abuse shareholders' rights to infringe upon the interests of the Company or other shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of shareholders to harm the interests of the Company's creditors.

Any shareholder who abuses shareholders' rights and causes the Company or other shareholders to suffer a loss shall be liable for making compensation in accordance with law.

Any shareholder who abuses the status of the Company as an independent legal entity or the limited liability of shareholders to evade debts and causes severe harms to the interests of the Company's creditors shall assume joint and several liability for the Company's debts;

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

**Article 40** The controlling shareholders and the actual controllers shall not use their connected relationship to act in detriment to the interests of the Company. If their violation of regulations causes losses to the Company, they shall be liable for compensation.

The controlling shareholders and the actual controllers of the Company shall have fiduciary duties towards the Company and public shareholders of the Company. The controlling shareholders shall exercise its rights as a contributor in strict compliance with the laws. The controlling shareholders and the actual controllers shall not do harm the legitimate rights and interests of the Company and public shareholders through means such as connected transaction, profit distribution, asset restructuring, external investment, possession of capital and borrowing guarantees. If the controlling shareholders and the actual controllers violate the relevant laws, regulations and the provisions of the Articles of Association and cause losses to the Company and other shareholders, they shall be liable for compensation.

**Article 41** Shareholders holding 5% or more of the voting shares of the Company who pledge their shares shall submit a written report to the Company as of the date of such pledge.

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

**Article 42** The General Meeting is the organ of authority of the Company, and shall exercise the following functions and powers according to law:

- (I) to decide the operational policies and investment plans of the Company;
- (II) to elect and replace the directors and supervisors who are not employee representatives and to decide on the matters relating to the remuneration of directors and supervisors;

- (III) to consider and approve the reports of the Board of Directors;
- (IV) to consider and approve the reports of the Board of Supervisors;
- (V) to consider and approve the annual financial budgets and final accounts of the Company;
- (VI) to consider and approve the profit distribution plans and loss recovery plans of the Company;
- (VII) to make a resolution on the increase or decrease of the registered capital of the Company;
- (VIII) to make a resolution on the issuance of corporate bonds;
- (IX) to make a resolution on the merger, division, dissolution, liquidation or form change of the Company;
- (X) to amend the Articles of Association;
- (XI) to make a resolution on the Company's engagement, dismissal or discontinuation of an accounting firm;
- (XII) to consider and approve the transactions prescribed in Article 43 hereof;
- (XIII) to consider and approve the guarantees prescribed in Article 44 hereof;
- (XIV) to consider the purchase or sale of major assets of the Company in excess of 30% of the Company's latest audited total assets within one year;
- (XV) to consider and approve connected transaction between the Company and a related party (except the acceptance of gift of cash assets or provision of guarantee by the Company) exceeding RMB30 million and representing more than 5% of the absolute value of the latest audited net assets of the Company;
- (XVI) to consider the equity incentive plans and employee shareholding schemes;
- (XVII) to consider and approve changes in the use of proceeds;
- (XVIII) to consider other matters on which decisions shall be made by the General Meeting as required by laws, administrative regulations, departmental rules or the Articles of Association.
- (XIX) other matters required by the listing rules of the stock exchange where the Company's shares are listed.

The aforesaid functions and powers of the General Meeting shall not be exercised by the Board of Directors or other bodies and individuals through any form of authorization

**Article 43** The following transactions incurred by the Company (except the acceptance of gift of cash assets) shall be considered and approved by the General Meeting (where any data involved in the following calculation is negative, take its absolute value as the calculation data):

- (I) the total amount of the assets involved in the transaction accounts for at least 50% of the audited total assets of the Company in the last period, if both book value and estimated value exists, the higher one shall prevail;
- (II) the audited operating income related to the transaction target (such as equity) in the last fiscal year accounts for at least 50% of the audited operating income of the Company in the last fiscal year, and the absolute amount exceeds RMB50 million;
- (III) the net profit related to the transaction target (such as equity) in the last fiscal year accounts for at least 50% of the audited net profit of the Company in the last fiscal year, and the absolute amount exceeds RMB5 million;
- (IV) the closing consideration of the transaction (including debt and fees) accounts for at least 50% of the audited net assets of the Company in the last period, and the absolute amount exceeds RMB50 million;
- (V) the profit from the transaction accounts for at least 50% of the audited net profit of the Company in the last fiscal year, and the absolute amount exceeds RMB5 million.

Transactions in this Article refer to: purchase or sale of assets; external investment (including entrusted wealth management, entrusted loans, investment in subsidiaries, joint ventures, associates, investment in held-for-trading financial assets, available-for-sale financial assets, holding to mature investment, etc.); providing financial assistance; leasing in or out of assets; entering into management contracts (including granting of entrusted operation and receiving entrusted operation, etc.); donating or receiving gift of assets; debt or debt restructuring; transfer of research and development projects; signing licensing agreements; other transactions as determined by the Articles of Association, resolutions of General Meetings and relevant laws and regulations and regulatory documents. The above-mentioned purchases and sales of assets do not include the purchase of raw materials, fuel and power, and the sale of products, commodities and other assets related to daily operations. The above-mentioned assets purchased and sold do not include the purchase of raw materials, fuels and power, and the sale of products, commodities and other assets related to daily operation, but the assets exchange involving the purchase or sale of such assets are still included.

In a transaction to “purchase or sell assets”, the higher of the total assets or the transaction amount shall be used as the calculation standard, and shall be calculated cumulatively over a period of twelve consecutive months according to the type of transaction. If the cumulative calculation reaches 30% of the latest audited total assets, the transaction shall be submitted to the General Meeting for consideration and approved by more than two-thirds of the voting rights held by shareholders attending the meeting. If relevant obligations have been fulfilled in accordance with the aforementioned provisions, they will no longer be included in the scope of cumulative calculation.

**Article 44** The following acts of the Company's external guarantees shall be considered and approved by the General Meeting after being reviewed and approved by the Board of Directors:

- (I) any guarantee to be provided after the total amount of external guarantees provided by the Company or the subsidiaries it controls has exceeded fifty percent (50%) of its latest audited net assets;
- (II) any guarantee to be provided after the total amount of external guarantees provided by the Company has reached or exceeded thirty percent (30%) of its latest audited total assets;
- (III) any guarantee provided to any guaranteed party with assets-liabilities ratio exceeding seventy percent (70%);
- (IV) any single guarantee exceeding ten percent (10%) of the latest audited net assets;
- (V) the total amount of guarantees for 12 consecutive months exceeds thirty percent (30%) of the latest audited total assets of the Company;
- (VI) the total amount of guarantees for 12 consecutive months exceeds fifty percent (50%) of the latest audited net assets, and with an absolute amount of more than RMB50 million;
- (VII) any guarantees to be provided for shareholders, actual controllers and their related parties;
- (VIII) other guarantees that subject to the review and approval of the General Meeting as required by the Hong Kong Listing Rules.

When the Board of Directors considers the above guarantee matters, such matters must be considered and approved by more than two-thirds of the directors attending the Board meeting. When the General Meeting considers the guarantee matters under item (V) of the preceding paragraph, such matters must be approved by more than two-thirds of the voting rights held by the shareholders attending the meeting.

When a General Meeting considers a resolution to provide guarantees for any shareholder, the actual controllers and its connected persons, such shareholder or the shareholder controlled by the actual controllers shall not participate in such voting. The resolution must be approved by more than half of the voting rights held by the other shareholders present at the General Meeting.

Directors, general managers and other senior executives who have violated laws and regulations or the provisions of the Articles of Association on the approval authority and review procedures for external guarantees shall bear the liability for compensation, and the Company may file a lawsuit against them in accordance with the law.

If there are special provisions in the listing rules of the place where the Company's shares are listed, such provisions shall prevail.

**Article 45** The General Meetings are classified into annual general meetings and extraordinary general meetings. The annual general meeting shall be convened once a year and be held within six months of the end of the previous fiscal year.

**Article 46** In any of the following circumstances, the Company shall convene an extraordinary general meeting within two months from the date of the occurrence of the circumstance:

- (I) when the number of directors falls short of the statutory number specified in the Company Law or is less than two-thirds of the number specified in the Articles of Association;
- (II) when the unrecovered losses of the Company amount to one-third of the total paid-up share capital;
- (III) when shareholders individually or together holding 10% or more of the shares of the Company request to hold such a meeting;
- (IV) when the Board of Directors deems it necessary;
- (V) when the Board of Supervisors proposes to hold such a meeting;
- (VI) other circumstances as stipulated by laws, administrative regulations, departmental rules, the listing rules of the place where the Company's shares are listed or the Articles of Association.

**Article 47** The venue of the General Meeting of the Company shall be the domicile of the Company or other places specified in the notice of the meeting.

The General meeting shall have a venue and be held in the form of an on-site meeting. The Company will also provide other methods such as online voting to facilitate shareholders' participation in the General Meeting in accordance with relevant regulations and resolutions made by the Board of Directors. Shareholders who participate in the General Meeting of shareholders through the above methods shall be deemed to be present.

The time and venue of meeting shall be convenient for shareholders' participation. Once the notice of the General Meeting is issued, the venue of the on-site General Meeting shall not be changed without a legitimate reason. In case of any necessary alteration, the convener shall, at least two working days prior to the date fixed for holding the on-site meeting, made an announcement and explain the reasons.

**Article 48** During the General Meeting, the Company will retain an attorney to issue legal opinions on the following matters and publish the same:

- (I) whether the procedures of convening and holding the meeting comply with relevant laws or administrative regulations and the Articles of Association;
- (II) whether the qualifications of the attendants and the convener are lawful and valid;
- (III) whether the voting procedure and results are lawful and valid;
- (IV) on other relevant issues as required by the Company.



### Section 3 Convening of General Meeting

**Article 49** Independent non-executive directors shall be entitled to submit a proposal to the Board of Directors on holding an extraordinary general meeting. For such a proposal, the Board of Directors shall give a written reply as to whether it agrees or disagrees to hold an extraordinary general meeting within ten days upon receipt of the proposal in accordance with laws, administrative regulations and the Articles of Association. Where the Board of Directors agrees to hold an extraordinary general meeting, a notice of the General Meeting shall be given within five days after the resolution of the Board of Directors is made. Where the Board of Directors does not agree to hold such a meeting, its reasons shall be given and an announcement shall be made.

**Article 50** The Board of Supervisors shall be entitled to submit a proposal in writing to the Board of Directors on holding an extraordinary general meeting. The Board of Directors shall give a written reply as to whether it agrees or disagrees to hold an extraordinary general meeting within ten days upon receipt of the proposal in accordance with laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association.

Where the Board of Directors agrees to hold an extraordinary general meeting, a notice of General Meeting shall be given within five days after the resolution of the Board of Directors is made. Any change to the original proposal in the notice shall be subject to the approval from the Board of Supervisors.

Where the Board of Directors does not agree to hold an extraordinary general meeting or fails to give a reply within ten days upon receipt of the proposal, it shall be deemed that the Board of Directors is unable or fails to perform its duty of convening a General Meeting. In such case, the Board of Supervisors may convene and preside over the meeting on its own.

**Article 51** Shareholders who individually or together hold 10% or more of the shares of the Company shall have the right to request the Board of Directors to convene an extraordinary general meeting and such request shall be made to the Board of Directors in writing. The Board of Directors shall give a written reply as to whether it agrees or disagrees to hold an extraordinary general meeting within ten days upon receipt of the request in accordance with laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association.

Where the Board of Directors agrees to hold an extraordinary general meeting, it shall issue a notice of the General Meeting within five days after the resolution was made. Any change to the original request in the notice shall be subject to the approval from the relevant shareholders.

Where the Board of Directors does not agree to hold an extraordinary general meeting or fails to give a reply within ten days upon receipt of the request, it shall be deemed that shareholders who individually or together hold 10% or more of the shares of the Company shall have the right to submit a proposal to the Board of Supervisors on holding an extraordinary general meeting and such request shall be made to the Board of Supervisors in writing.

Where the Board of Supervisors agrees to hold an extraordinary general meeting, it shall issue a notice of General Meeting within five days after receiving the request. Any changes to the original proposal in the notice shall be approved by the relevant shareholders.

Where the Board of Supervisors fails to give the notice of the General Meeting within the specified time limit, it shall be deemed that the Board of Supervisors does not convene or preside over the meeting, in which case, shareholders who individually or together hold 10% or more of the shares of the Company for 90 or more consecutive days may convene and preside over the meeting on their own.

**Article 52** Where the Board of Supervisors or shareholders decide to convene a General Meeting on its/their own, it/they shall give a written notice to the Board of Directors and file with the relevant competent authorities and the stock exchange where the Company's shares are listed and traded (if needed) in accordance with applicable laws and regulations.

Prior to the resolution of the General Meeting becomes effective, the shareholding of the shareholders who convene the meeting shall be not less than 10%.

When issuing the notice of the General Meeting and the announcement of the resolution(s) of the General Meeting, the Board of Supervisors and shareholders who convene the meeting shall submit relevant supporting materials (if needed) to the relevant competent authorities and the stock exchange according to applicable laws and regulations.

**Article 53** With regard to the General Meeting convened by the Board of Supervisors or shareholders on their own, the Board of Directors and the secretary of the Board of Directors shall provide assistance. The Board of Directors shall provide the register of shareholders as at the record date for the registration of shareholding.

**Article 54** All necessary expenses incurred by the Board of Supervisors or the shareholders in convening the General Meeting on their own initiatives shall be borne by the Company.

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

**Article 55** The content of a proposal shall fall within the terms of reference of the General Meeting, and shall contain specific topics to be discussed and definite matters to be resolved, and comply with relevant requirements of laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association.

**Article 56** When the Company convenes a General Meeting, the Board of Directors, the Board of Supervisors and shareholders who individually or together hold 3% or more of the shares of the Company are entitled to put forward a proposal to the Company.

Shareholders individually or together holding 3% or more of the shares of the Company can put forward a temporary proposal ten days before the General Meeting is held and submit the proposal to the convener of the meeting in writing. The convener shall issue a supplemental notice within two days upon receiving such proposal and notify shareholders of the content of such proposal.

Except for the circumstances prescribed in the preceding paragraph, the convener shall not change the proposals specified in the notice of the General Meeting or add new proposals after publishing the notice of the General Meeting.

The General Meeting shall not vote or resolve on proposals not contained in the notice of the General Meeting or not in compliance with Article 55 of the Articles of Association.

**Article 57** The convener will notify each shareholder twenty-one days prior to an annual general meeting and will notify each shareholder fifteen days prior to an extraordinary general meeting. If there are other provisions in laws and regulations, the listing rules of the place where the Company's shares are listed, and the securities regulatory authorities, those provisions shall prevail.

The notice of the General Meeting of shareholders issued to shareholders will be published on the websites of the Hong Kong Stock Exchange and the Company. Once announced, all shareholders will be deemed to have received the notice of the relevant General Meeting.

**Article 58** The notice of a General Meeting includes the following:

- (I) the time, place and duration of the meeting;
- (II) matters and proposals submitted to the meeting for deliberation;
- (III) a clear statement: all shareholders are entitled to attend the General Meeting, and may appoint in writing proxy(ies) to attend and vote on his or her behalf and such proxy(ies) need not be shareholders of the Company;
- (IV) record date for the purpose of determining shareholders' entitlement to attend the General Meeting;

The interval between the equity registration date and the meeting date shall be no more than seven business days. Once the equity registration date is confirmed, it shall not be changed.

- (V) name and telephone number of the permanent contact person for meeting affairs.
- (VI) the voting time and voting procedures online or by other means.
- (VII) other requirements stipulated in laws and regulations, regulatory rules of the place where the Company's shares are listed, the Articles of Association, etc.

The notice and supplementary notice of the General Meeting shall contain the content stipulated in the Hong Kong Listing Rules and the Articles of Association, and shall fully and completely disclose all the specific contents of all resolutions.

**Article 59** If the election of directors or supervisors is proposed to be discussed at a General Meeting, the notice of the meeting will adequately disclose the detailed information on the director or supervisor candidates, which shall at least include:

- (I) personal particulars, including educational background, work experience and concurrent positions;
- (II) whether there is any connected relationship with the Company or the controlling shareholders and actual controllers of the Company;
- (III) the number of shares of the Company he/she hold;
- (IV) whether he/she has been subject to any penalties by the CSRC and other relevant authorities and sanctions by the stock exchange.

Unless the directors or supervisors are elected via cumulative voting, each candidate for director or supervisor shall be nominated via a single proposal.

**Article 60** After the notice of the General Meeting is issued, the General Meeting shall not be delayed or canceled without justified reasons, and proposals listed in the notice shall not be revoked. Once delay or cancellation occurs, the convener shall make notice and explanation at least two working days before the original date fixed for holding the meeting.

**Article 61** If the meeting notice is not issued to a person who has the right to receive the notice due to accidental omission or such person fails to receive the meeting notice, the meeting and the resolutions passed at the meeting will not be invalid due to such reasons.

### **Section 5 Holding of General Meeting**

**Article 62** The Board of Directors and other conveners shall take necessary measures to ensure the proper order of the General Meeting. For any acts interfering with the General Meeting, provoking trouble or infringing upon the legitimate rights and interests of shareholders, measures shall be taken to stop such acts, and such acts shall be promptly reported to the relevant authority for investigation and treatment.

**Article 63** All shareholders or ordinary shares whose names appear on the register of shareholders on the record date (including preferred shareholders whose voting rights have been restored) or their proxies are entitled to attend the General Meeting and exercise their voting rights in accordance with relevant laws, regulations listing rules of the place where the Company's shares are listed and the Articles of Association.

A shareholder may either attend the General Meeting in person or appoint a proxy or proxies to attend and vote at such meeting on his/her behalf.

Any shareholder who has the right to attend a shareholders' meeting and has the right to vote has the right to appoint one or more persons (the person may not be a shareholder) as his or her shareholder proxy to attend and vote on his or her behalf. The shareholder's agent may exercise the following rights according to the shareholder's entrustment:

- (I) the shareholder's right to speak at the shareholders' meeting;
- (II) the request to vote by ballot on your own or jointly with others;
- (III) the voting rights can be exercised by a show of hands or by voting, but when more than one (1) shareholder proxy is appointed, such shareholder proxies can only exercise voting rights by voting.

**Article 64** The convener and the lawyer engaged by the Company will jointly verify the legality of shareholder qualifications based on the register provided by the securities registration and clearing agency, and register the names of shareholders and the number of shares with voting rights they hold.

Registration for the meeting shall be terminated before the host of the meeting announces the number of shareholders and proxies present at the meeting and the total number of shares with voting rights held.

**Article 65** Where an individual shareholder attends a meeting in person, he or she shall present his/her identity card or other valid certificate or certificate that can indicate his or her identity; where an individual shareholder attends the meeting on behalf of another person, he/she shall present his/her valid identity card or the shareholder's power of attorney appointing a proxy for voting.

Corporate shareholders shall be represented by their legal representatives, or an agent entrusted by the legal representative to attend the meeting. If the legal representative attends the meeting, he or she shall present his/her identity card and a valid certificate that proves his or her qualifications as a legal representative; if a proxy is appointed to attend the meeting, the proxy shall present his/her identity card and a written power of attorney appointing a proxy for voting issued by the legal representative of the corporate shareholder unit in accordance with the law. If the shareholder is a recognized clearing house (or its nominee), such shareholder may authorize one or more persons as he/she deems appropriate to act on his/her behalf at any General Meetings; however, if more than one persons are authorized, the power of attorney shall specify the numbers and classes of shares in respect of which such persons are authorized. The person(s) so authorized can represent the recognized clearing house (or its nominee) to exercise its rights without producing certificates of shareholding, the notarized power of attorney and/or further evidence to prove that he/she has been duly authorized as if such persons are individual shareholders of the Company and may enjoy equal legal rights with other shareholders, including the rights to speak and vote.

**Article 66** The power of attorney issued by shareholders to appoint other persons to attend the General Meeting shall state the following:

- (I) name of the proxy;
- (II) whether the proxy has the right to vote;
- (III) instructions to vote in favor of, against or abstain from voting on each resolution contained in the agenda of General Meeting respectively;
- (IV) the date of issue and validity period of the power of attorney;
- (V) signature (or seal) of the appointer. If the appointer is a corporate shareholder, the seal of the legal person entity shall be affixed.

**Article 67** The power of attorney shall state that in the absence of instructions from the shareholder, whether or not the proxy of shareholder may vote as he/she thinks fit.

**Article 68** An instrument appointing a proxy for voting shall be deposited at the domicile of the Company or any other place specified in the notice convening the meeting 24 hours before the time for convening the meeting or 24 hours before the designated time for voting.

If the instrument of proxy is signed by the authorized person of the appointer, the power of attorney or other authorization documents under which the instrument of proxy is signed shall be notarized. The notarized power of attorney or other authorization documents, and the instrument of proxy shall be placed at the domicile of the Company or other place specified in the notice of the meeting.

**Article 69** If the appointer is a corporation, its legal representative or the persons authorized by the Board of Directors or other governing body shall act as representative to attend the General Meeting of the Company. If the principal has deceased, lost capacity, withdrawn the appointment, revoked the authorization to sign the appointment prior to the voting, or the relevant shares have been transferred, as long as the Company does not receive written notice of such matters before the start of the relevant meeting, the shareholder agent shall act accordingly, and the votes cast by the proxy shall remain valid.

**Article 70** The attendance record of a meeting shall be prepared by the Company. The attendance record shall contain, among other things, the name, identity card number, domicile address, the number of shares carrying voting rights held or represented, and the appointer name (or entity name) of each attendee.

**Article 71** In convening a General Meeting, all directors, supervisors and the secretary of the Board of Directors of the Company shall attend the meeting in person while the general manager and other senior management shall attend the meeting as observers.

**Article 72** The General Meeting shall be presided over by the chairman of the Board of Directors. Where the chairman of the Board of Directors is unable or fails to perform his duties, the meeting shall be presided over by a director jointly elected by half or more of the directors.

A General Meeting convened by the Board of Supervisors shall be presided over by the chairman of the Board of Supervisors. Where the chairman of the Board of Supervisors is unable or fails to perform his duties, the meeting shall be presided over by a supervisor jointly elected by half or more of the supervisors.

A General Meeting convened by shareholders shall be presided over by a representative elected by the convener(s).

In the event that the General Meeting cannot proceed due to violation of the rules of procedure by the chairperson of the meeting when a General Meeting is held, the General Meeting may appoint a person as the chairperson of the meeting with the consent of a majority of the shareholders with voting rights present at the meeting and the meeting shall continue.

**Article 73** The Company shall formulate the rules of procedure of the General Meeting, and specify the convening and voting procedures of the General Meeting, including notice, registration, consideration of proposal, voting, counting of votes, announcement of voting results, formation of resolutions of the meeting, minutes of the meeting and signing thereof, as well as the principle of authorization of the General Meeting to the Board of Directors. The content of authorization shall be clear and specific.

The rules of procedure of the General Meeting shall be annexed to the Articles of Association and shall be prepared by the Board of Directors and approved by the General Meeting.

**Article 74** At the annual general meeting, the Board of Directors and the Board of Supervisors shall make a report on their work in the past year to the General Meeting.

**Article 75** The directors, supervisors and senior management shall provide explanations and statements relating to the queries and suggestions put forward by the shareholders at the General Meeting.

**Article 76** The meeting chairperson shall declare the number of shareholders and proxies present at the meeting and the total number of shares carrying voting rights they hold before voting. The number of shareholders and proxies present at the meeting and the total number of shares carrying voting rights they hold shall be subject to the attendance record of the meeting.

**Article 77** Minutes shall be kept for a General Meeting by the secretary of Board of Directors. The meeting minutes shall contain:

- (I) the time, venue and agenda of meeting and the convener's name;
- (II) the names of the meeting chairperson and the directors, supervisors, general manager and other senior management attending the meeting or attending meeting as observers;
- (III) the number of shareholders and proxies present at the meeting, the total number of shares carrying voting rights they hold, and the proportion in the total number of the shares of the Company;
- (IV) the consideration process, key points of speech and voting results of each proposal;
- (V) the enquiries or suggestions of the shareholders and the corresponding replies or explanations;
- (VI) the names of the lawyer and the teller and scrutineer;
- (VII) other content that shall be included in the meeting minutes according to the 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 of Directors, convener or their representatives who attended the meeting, and the chairperson of the meeting shall sign the meeting minutes. The meeting minutes shall be kept together with the register of names of the shareholders present, the power of attorney for attendance, and the valid documents for the online and other forms of voting for a period of not less than 10 years.

**Article 79** The convener shall warrant that the General Meeting will proceed continuously until the final resolution is made. If the General Meeting is suspended or the resolution cannot be made due to force majeure or other special causes, necessary measures shall be taken to restore the General Meeting as soon as possible or directly terminate the General Meeting, and shall make timely announcements. At the same time, the convener should report to the branch of the China Securities Regulatory Commission where the Company is located and the Stock Exchange where the Company's shares are listed (if necessary).

## **Section 6 Voting and Resolution at the General Meeting**

**Article 80** The resolutions of the General Meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution shall be adopted by a simple majority of the votes held by the shareholders (including proxies of shareholders) attending the General Meeting.

A special resolution shall be adopted by a two-thirds or more of the votes held by the shareholders (including proxies of shareholders) attending the General Meeting.

**Article 81** The following matters shall be approved by the General Meeting through ordinary resolutions:

- (I) work report of the Board of Directors and the Board of Supervisors;
- (II) plans of earnings distribution and loss make-up schemes drafted by the Board of Directors;
- (III) appointment or dismissal of the members of the Board of Directors and the Board of Supervisors, and their payment and payment methods;
- (IV) annual budget and final account plan of the Company;
- (V) annual report of the Company;
- (VI) other matters other than those stipulated by laws, administrative regulations, listing rules of the place where the Company's shares are listed, or the Articles of Association shall be passed by special resolutions.

**Article 82** The following matters shall be approved by special resolution at the General Meeting:

- (I) the increase or reduction of the registered capital of the Company;
- (II) the division, spin-off, merger, dissolution and liquidation of the Company;
- (III) the amendment to the Articles of Association;
- (IV) the purchases or sales of material assets by the Company within one year or the guarantee amount exceeding 30% of the latest audited total assets of the Company;
- (V) the equity incentive plan;
- (VI) other matters stipulated by laws, administrative regulations, listing rules of the place where the Company's shares are listed, or the Articles of Association, as well as other matters that the General Meeting determines by ordinary resolution will have a significant impact on the Company and need to be passed by special resolution.

**Article 83** Shareholders (including proxies of shareholders) shall exercise their voting rights according to the number of voting shares they represent, and each share shall have one vote. On a poll taken at a meeting, shareholders (including proxies of shareholders) entitled to two or more votes need not cast all his/her votes in the same way (vote in favor of, against or abstain from each resolution).

Where any major matter that has an impact on the interests of minority investors is considered at a General Meeting, the votes casted by minority investors shall be counted separately. The results of the separate counting shall be disclosed to the public in a timely manner.

Shares of the Company held by the Company shall carry no voting rights, and be excluded from the total voting shares held by shareholders present at a General Meeting, and will not be deposited into the Central Clearing and Settlement System.



The Board of Directors, a shareholder holding 1% or more of the voting shares of the Company or an investor protection institution formed in accordance with laws, administrative regulations, or the rules of the CSRC may publicly solicit proxies. In proxy solicitation, the voting intention and other relevant information shall be fully disclosed to the shareholders from whom proxy is solicited. Proxy solicitation with the provision of direct or indirect compensation shall be prohibited. The Company may not impose any minimum shareholding requirement for proxy solicitation, except under statutory conditions.

**Article 84** When matters concerning connected transactions are considered at a General Meeting, connected shareholders shall not vote thereon, and the voting shares represented by them shall not be counted in the total number of valid votes. The announcement of resolutions of the General Meeting shall fully disclose the votes of non-connected shareholders.

When a General Meeting deliberates on the connected transaction matter, the connected shareholder shall actively state the situation to the General Meeting and explicitly indicate that he/she will abstain from voting. In case such connected shareholder fails to actively state the connected relation, the chairman of the meeting or other shareholders may request him/her to state the situation and abstain from voting. If a connected shareholder fails to state the circumstances or abstain from voting, his/her shares shall not be counted towards the total number of valid voting shares in respect of voting on connected transactions.

If, after the conclusion of the General Meeting, other shareholders discover that a connected shareholder has participated in the voting on matters relating to connected transactions, or if the shareholders have any disagreement as to whether or not abstention should be applied, they shall have the right to file a lawsuit with the People's Court in respect of the relevant resolution in accordance with the provisions of Article 36 of the Articles of Association.

If a connected shareholder expressly abstains from voting, other shareholders present at the General Meeting shall consider and vote on the relevant connected transaction, and the voting results shall have the same legal effect as other resolutions passed at the General Meeting.

The procedures for abstention and voting of the connected shareholders are as follows:

- (I) a connected shareholder shall disclose to the Board of Directors his/her relationship with the parties to the connected transaction prior to the date of the General Meeting;
- (II) when the General Meeting deliberates on matters relating to connected transactions, the presiding person of the meeting shall announce the connected shareholder and explain and illustrate the connected relationship between the connected shareholder and the parties to the connected transaction;
- (III) a connected shareholder may participate in the deliberation of a connected transaction involving himself/herself and may explain and account for such connected transaction to the General Meeting as to whether such connected transaction is fair and lawful and the reasons for its occurrence, etc., but such shareholder shall not be entitled to participate in the voting on such matter; prior to the voting at a General Meeting, the presiding person of the meeting shall announce to the shareholders present at the meeting that the connected shareholder will not participate in the voting on the matter;

- (IV) in order to be valid, the resolutions made at the General Meeting on matters concerning connected transactions shall be passed by more than half of the votes cast by the non-connected shareholders attending the General Meeting. However, if such connected transaction involves a special resolution as stipulated in the Articles of Association, the resolutions of the General Meeting shall be valid only if it is passed by more than two-thirds of the voting rights held by the non-connected shareholders present at the shareholders General Meeting.

**Article 85** Unless the Company is in a crisis or under any other special circumstances, without the approval of a General Meeting by a special resolution, the Company shall not enter into a contract with any person other than a director, the general manager or any other officer under which the person takes charge of all or any major business of the Company.

**Article 86** The list of director or supervisor candidates shall be submitted to a General Meeting for voting in the form of a proposal. When the General Meeting of Shareholders considers a proposal for the election of directors and supervisors, it shall vote on each candidate individually.

The Board of Directors shall announce to the shareholders the brief biographies and basic information of the directors and supervisors standing for election. The methods and procedures for nominating directors and supervisors of the Company are:

- (I) Candidates for directors shall be nominated by the Board of Directors. Shareholders individually or jointly holding more than 3% of the total number of shares with voting rights issued by the Company may also be nominated in writing, provided that the number of candidates for directors nominated by each of the shareholders individually or collectively may not exceed the number of candidates to be elected.
- (II) Candidates for shareholder representative supervisors shall be nominated by the Board of Supervisors. Shareholders individually or jointly holding more than 3% of the total shares with voting rights issued by the Company may also be nominated in writing, provided that the number of supervisor candidates nominated by each of the shareholders individually or collectively shall not exceed the number of candidates to be elected.
- (III) Candidates for employee representative supervisors shall be democratically elected by the employees of the Company through employee representative meetings, employees' general meetings or other means.

**Article 87** When the shareholders nominate the directors or supervisor, the nomination proposal, details of the nominated candidates, declaration or undertaking of the candidate shall be submitted to the Board of Directors and the Board of Supervisors before the General Meeting is held. The final candidates for the directors and supervisors shall be determined by the Board of Directors and the Board of Supervisors, which shall be responsible for examining the qualifications of candidates. Candidates who have not passed the qualification examination for appointment shall not be elected as directors or shareholders' representative supervisors at the General Meeting. Except for the cumulative voting system, all proposals shall be voted item by item at a General Meeting, and if there are different proposals for the same matter, they shall be voted in the order of introduction. Unless a General Meeting is suspended or no resolution may be made thereat for a force majeure or any other special reason, no proposal may be suspended or denied voting at the General Meeting.

**Article 88** A proposal considered at a General Meeting shall not be modified; otherwise, the modification shall be regarded as a new proposal, which may not be voted at the General Meeting.

**Article 89** At a General Meeting, the same voting right can only choose one of the on-site, online or other voting methods. In case of repeated voting with the same voting right, the first voting result shall prevail.

**Article 90** The General Meeting shall vote by open ballot.

**Article 91** Before proposals are voted at a General Meeting, two shareholder representatives shall be recommended to take part in vote counting and scrutiny. Where a shareholder is connected with any matter considered, the shareholder and its proxy may not take part in vote counting and scrutiny.

When proposals are voted at a General Meeting, lawyers, shareholder representatives and supervisor representatives shall be jointly responsible for the vote counting and scrutiny, announce the voting results on the spot, and record them in the minutes of the meeting.

Shareholders or their proxies voting online or in any other manner shall have the right to check their votes through the corresponding voting system.

**Article 92** The time of closure of the on-site voting of a General Meeting shall not be earlier than that of online voting or any other manner of voting, and the presider shall announce the voting and voting result of each proposal and according to the voting results, whether a proposal is passed.

Before the voting results are officially announced, the Company, counting officers, scrutineers, substantial shareholders, network service providers and other parties involved in the on-site voting, voting by telecommunication, and other manner of voting at a General Meeting shall all be obligated to keep the voting information confidential.

**Article 93** Shareholders attending the General Meeting shall express one of the following opinions on the proposal submitted for voting: affirmative, negative or abstention. The securities registration and clearing organization shall be the nominee holder of shares under the Mainland-Hong Kong Stock Connect, except where declaration is made in accordance with the actual holder's intent.

Where any ballot is not completed in full, is completed incorrectly or unintelligibly, or has no vote recorded, the voter shall be deemed to have waived his voting rights and the voting result for his/her shares shall be deemed as an "abstention".

**Article 94** Where the presider has any doubt on the voting result of a resolution submitted for voting, he/she may organize a recount of the number of votes; where the presider fails to recount votes, and any shareholder or shareholder's proxy attending the meeting raises any objection to the result announced by the presider, the shareholder or shareholder's proxy shall have the right to require a recount immediately after the voting result is announced, and the presider shall immediately organize a recount.

**Article 95** The resolutions of a General Meeting shall be announced in a timely manner, and the announcement shall state the number of shareholders and proxies attending the meeting, the total number of voting shares held by them and its proportion to the total number of voting shares of the Company, the voting methods, the voting result of each proposal, and details of each resolution adopted.

**Article 96** Where a proposal is not passed, or the General Meeting modifies a resolution made at a previous General Meeting, a special reminder shall be placed in the announcement of the resolutions of the General Meeting.

**Article 97** Where proposed resolutions in relation to the election of directors or supervisors are passed at a General Meeting, the time of taking office for the new directors or supervisors shall be counted from the date of the relevant resolution at the General Meeting.

**Article 98** Where a proposal on the distribution of cash dividends or stock dividends or conversion of reserve funds to share capital is passed at a General Meeting, the Company shall implement the specific plan within two months after the end of the General Meeting.

## **Chapter 5 Board of Directors**

### **Section 1 Directors**

**Article 99** Directors of the Company shall be natural persons and shall meet the following requirements:

- (I) the provisions of the Company Law on the qualifications of directors; and
- (II) relevant provisions of other laws and regulations.

**Article 100** None of the following persons shall serve as a director of the Company:

- (I) a person who has no civil capacity or has limited civil capacity;
- (II) a person who has been sentenced to a term of imprisonment for any of the following crimes and five years have not elapsed since the date on which execution of the sentence was completed: embezzlement, bribery, conversion of property, misappropriation of property, or sabotaging the socialist economic order; or has been deprived of his/her political rights as a result of a criminal conviction and five years have not elapsed since the date on which execution of the sentence was completed;
- (III) a person who has served as a director, the factory chief, or the general manager of an insolvent and liquidated company or enterprise and is held personally liable for such bankruptcy, and three years have not elapsed since the date when the bankruptcy and liquidation of the Company or enterprise are completed;
- (IV) a person who has served as the legal representative of a company or enterprise whose business license was revoked or which is ordered to close down due to any violation of law, and is held personally liable for the revocation, and three years have not elapsed since the date when the revocation occurs;

- (V) a person who has a relatively large sum of debt, which was not paid at maturity;
- (VI) a person who has been banned from entering the securities market by the CSRC and whose term has not expired;
- (VII) any other circumstances stipulated by laws, administrative regulations, departmental rules or the listing rules of the place where the Company's shares are listed.

The election, appointment or engagement of the directors shall be invalid if such election or appointment is against this Article. If the directors fall into any of the circumstances mentioned in this Article during their term of office, they would be dismissed by the Company.

**Article 101** A director shall be elected or replaced by the General Meeting, and may be removed by the General Meeting before the expiry of his/her term of office. A director shall serve for a term of three-year, and can be re-elected and reappointed upon the expiry of the term.

The term of office of a director shall commence from the date on which the said director assumes office until the expiry of the term of office of the current session of the Board of Directors. A director shall continue to perform his/her duties as a director in accordance with law, administrative regulations, departmental rules and the Articles of Association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office.

Manager or other senior management may concurrently serve as directors. However, the total number of directors who concurrently serve as managers or other senior management and directors who are employee representatives shall not exceed one-half of the total number of directors of the Company.

The Company does not have employee representative director.

**Article 102** Directors shall abide by laws, administrative regulations and the Articles of Association, and shall have the following duty of loyalty to the Company:

- (I) shall not abuse their authority by accepting bribes or other illegal income, and shall not encroach on the Company's property;
- (II) shall not misappropriate company funds;
- (III) shall not deposit Company's assets or funds into accounts held in their own names or in the name of any other individual;
- (IV) shall not, in violation of the Articles of Association, loan Company's funds to any other person or give Company's assets as security for the debt of any other person without the approval of the General Meeting or the Board of Directors;
- (V) shall not conclude any contract or engage in any transaction with the Company either in violation of the Articles of Association or without the approval of the General Meeting;
- (VI) shall not use the advantages provided by their own positions to pursue business opportunities that properly belong to the Company to engage in the same business as the Company either for their own account or for the account of any other person without the approval of the General Meeting;

- (VII) shall not accept commissions paid by others for transactions conducted with the Company as their own;
- (VIII) shall not disclose the Company's confidential information without authorization;
- (IX) shall not abuse their connected relationships to damage the Company's interests;
- (X) other duties of loyalty stipulated in laws, administrative regulations, departmental rules and the Articles of Association.

The income obtained by a director in violation of this Article shall belong to the Company. If losses are caused to the Company, he/she shall be liable for compensation.

**Article 103** Directors shall abide by laws, administrative regulations and the Articles of Association, and shall have the following duties of diligence to the Company:

- (I) shall prudently, earnestly and diligently exercise the rights the Company grants to them to ensure that the Company conducts its commercial activities in a manner that complies with the requirements of state laws, administrative regulations and state economic policies, and that the Company's commercial activities do not go beyond the scope of the business activities stipulated in the Company's business license;
- (II) shall treat all shareholders fairly;
- (III) shall maintain a timely awareness of the operation and management of the Company;
- (IV) shall sign written statements confirming the regular reports of the Company, and ensure that the information disclosed by the Company is true, accurate and complete;
- (V) shall provide accurate information and materials to the Board of Supervisors and shall not obstruct the Board of Supervisors or individual supervisors from performing its or their duties;
- (VI) any other duties of diligence stipulated in the laws, administrative regulations, departmental rules, the listing rules of the place where the Company's shares are listed and the Articles of Association.

**Article 104** A director who fails to attend the meetings of the Board of Directors twice consecutively in person or by authorizing another director to attend such meetings on his/her behalf shall be deemed unable to execute his/her office, and the Board of Directors shall advise the General Meeting to replace him/her.

**Article 105** A director may resign before the expiry of his/her term of office. In resigning his/her duties, the director shall submit a written resignation report to the Board of Directors. The Board of Directors shall disclose the relevant information within the two days.

Where, as a result of a director's resignation, the quorum requirement for the Board of Directors is no longer met, or the number of independent non-executive directors is less than one-third (1/3) of the members of the Board of Directors due to the resignation of an independent non-executive director, or there is no accounting professional among the independent non-executive directors, the outgoing director shall continue to perform a director's functions in accordance with laws, administrative regulations, departmental rules and the Articles of Association before the newly elected director assumes office.

Except under the circumstance in the preceding paragraph, a director's resignation shall take effect once his/her resignation report is received by the Board of Directors.

**Article 106** When the resignation of a director takes effect or the term of office of a director expires, he/she shall complete all handover procedures required by the Board of Directors. In this case, his/her duty of loyalty to the Company and shareholders shall not be automatically relieved after the end of his/her term of office, and shall remain valid for five years after the end of such term of office.

The outgoing director's obligation of confidentiality of the Company's business secrets shall remain valid until the secrets become public information; the duration of other duties shall be determined based on the principle of fairness, depending on the length of time between the occurrence of the event and his/her resignation, and the circumstances and conditions under which his/her relationship with the Company terminates.

Unless permitted by the Articles of Association or legally authorized by the Board of Directors, no director shall act in his/her own name on behalf of the Company or the Board of Directors. When a director acts in his/her own name, the director shall declare his/her position and identity in advance if the third-party reasonably believes that the director is acting on behalf of the Company or the Board of Directors.

**Article 107** Where a director violates any law, administrative regulations, departmental rules, the listing rules of the place where the Company's shares are listed or the Articles of Association in executing his/her office in the Company, causing losses to the Company, he/she shall be liable for compensation.

**Article 108** Independent non-executive directors shall act in accordance with laws, administrative regulations and departmental rules, and the relevant provisions of the securities regulatory authorities and of the stock exchanges of the place where the Company's shares are listed.

## **Section 2 Board of Directors**

**Article 109** The Company shall have a Board of Directors, which is accountable to the General Meeting.

**Article 110** The Board of Directors consists of nine directors, divided into executive directors, non-executive directors and independent non-executive directors. The number of independent non-executive directors should account for at least one-third (1/3) of the members of the Board of Directors. At least one of the independent non-executive directors must possess appropriate professional qualifications or possess appropriate accounting or related financial management expertise. The Board of Directors shall have one chairman.

**Article 111** The Board of Directors shall exercise the following functions and powers:

- (I) to convene the General Meeting and report to the General Meeting;
- (II) to implement resolutions of the General Meeting;
- (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 increase or reduction of the Company's registered capital, the issuance of bonds or other securities of the Company and listing of shares of the Company;
- (VII) to formulate plans for the Company's major acquisition, repurchase of the shares of the Company, or merger, division, dissolution or change of corporate form of the Company;
- (VIII) to decide on matters such as investments, purchase and sale of assets, pledge of assets, external guarantee, entrustment of financial management, connected transactions and donations of the Company within the scope of authorization by the General Meeting;
- (IX) to decide on establishment of internal management organs of the Company;
- (X) to appoint or dismiss the Company's general manager and secretary to the Board of Directors, and decide on matters of their remuneration and rewards and punishments; according to the nomination of the general manager, to appoint or dismiss the Company's deputy general manager, chief financial officer and other senior management, and decide on matters of their remuneration, rewards and punishments;
- (XI) to formulate the basic management system of the Company;
- (XII) to formulate proposals to amend the Articles of Association;
- (XIII) to manage the Company's information disclosures;
- (XIV) to propose to the General Meeting the appointment or replacement of the accounting firm that provides audit service to the Company;
- (XV) to listen to the work report of the general manager of the Company and to inspect the work of the general manager;
- (XVI) to formulate the adjustment plan of the Company's profit distribution policy;
- (XVII) other functions and powers provided for in laws, administrative regulations, departmental rules, the listing rules of the place where the Company's shares are listed and the Articles of Association or conferred by the General Meeting.



The Board of Director shall discuss and evaluate on matters such as whether the corporate governance mechanism provides appropriate protection and equal rights to all shareholders, and whether the corporate governance structure is reasonable and effective.

The Company's Board of Directors consists of four special committees: Audit Committee, Nomination Committee, Remuneration and Appraisal Committee, and Strategy Committee. The special committees are accountable to the Board of Directors and perform their duties in accordance with the Articles of Association and the Board of Directors' authorization. Proposals shall be submitted to the Board of Directors for review and decision. All members of the special committees shall be directors. Independent non-executive directors shall make up the majority of the Audit Committee, Nomination Committee, and Remuneration and Appraisal Committee and serve as conveners. The members of the Audit Committee shall be directors who do not hold senior management positions in the listed Company, and its convener shall be a professional accountant. The Board of Directors is responsible for formulating work procedures for the special committees and regulating their operation.

**Article 112** Except for transactions which shall be considered and resolved at the General Meeting, the Company shall submit to the Board of Directors for decision if any of the transactions specified in Article 43 of the Articles of Association (except the acceptance of gift of cash assets) meets one of the following criteria:

- (I) if the total amount of assets involved in the transaction accounts for more than 10% of the Company's latest audited total assets, and if such total amount of assets involved in the transaction has a book value and an assessed value, the higher shall be used as the calculation data;
- (II) the relevant operating income of the subject of the transaction (such as equity) in the most recent fiscal year accounts for more than 10% of the audited operating income for the Company in the most recent fiscal year, and the absolute amount exceeds RMB10 million;
- (III) the relevant net profit of the subject of the transaction (such as equity) in the most recent fiscal year accounts for more than 10% of the audited net profit of the Company in the most recent fiscal year, and the absolute amount exceeds RMB1 million;
- (IV) the transaction amount (including liabilities and expenses) of the transaction accounted for more than 10% of the Company's latest audited total assets, and the absolute amount exceeded RMB10 million;
- (V) the profit generated from the transaction accounted for more than 10% of the audited net profit of the Company in the most recent fiscal year, and the absolute amount exceeded RMB1 million.

**Article 113** Except for transactions which shall be considered and resolved at a General Meeting, connected transactions of the Company that meet one of the following criteria shall be submitted to the Board of Directors for decision:

- (I) transactions in which the transaction amount between the Company and a connected legal person exceeds RMB3 million and accounts for more than 0.5% of the absolute value of the latest audited net assets of the Company;
- (II) transactions of more than RMB300,000 between the Company and a connected natural person;
- (III) the connected party has a connected relationship with the general manager.

The Company shall not provide loans to directors, supervisors and senior management directly or through its subsidiaries.

**Article 114** External guarantees other than those required to be submitted to a General Meeting for consideration and approval as stipulated in Article 44 of the Articles of Association shall be submitted to the Board of Directors for consideration and approval; external guarantees that are required to be considered and approved by the Board of Directors must be passed by more than two-thirds of all the directors of the Company.

**Article 115** The Company's securities investment, entrusted wealth management or derivative product investment matters shall be submitted to the Board of Directors or the General Meeting of the Company for consideration and approval. The power to approve entrusted financial management shall not be delegated to individual directors or operating management of the Company.

**Article 116** Where a non-standard audit opinion is issued by the certified public accountants on the financial reports of the Company, the Board of Directors of the Company shall submit explanations to the General Meeting.

**Article 117** The Board of Directors shall formulate the rules of procedure for the Board of Directors according to the requirements of laws, administrative regulations and regulatory documents, so as to ensure the implementation of the resolutions of the General Meeting by the Board of Directors, improve work efficiency, and guarantee scientific decision-making.

The rules of procedure for the Board of Directors shall be annexed to the Articles of Association and shall be prepared by the Board of Directors and approved by the General Meeting.

**Article 118** The Company's major investment projects shall be reviewed by relevant experts and professionals and reported to the General Meeting for approval.

**Article 119** The Board of Directors shall have a chairman, who shall be elected and removed by the Board of Directors by a majority of all members of the Board of Directors.

**Article 120** The chairman shall exercise the following functions and powers:

- (I) to preside over the General Meeting and convene and preside over meetings of the Board of Directors;
- (II) to oversee and inspect the execution of the resolutions of the Board of Directors;
- (III) to sign important documents of the Board of Directors and other documents that should be signed by the legal representative of the Company;
- (IV) to exercise the special power to handle the Company's business in compliance with the laws and the Company's interest in cases of emergency caused by large-scale natural disasters or other force majeure, and report to the Board of Directors and General Meeting of the Company thereafter;
- (V) other functions and powers conferred by the Board of Directors.

**Article 121** Where the chairman is unable or fails to perform his duties, another director jointly elected by half or more of the directors shall perform his duties.

**Article 122** Meetings of the Board of Directors are divided into regular meetings and ad hoc meetings. Meetings of the Board of Directors shall be convened at least four times a year and shall be convened by the chairman of the Board of Directors. Regular meetings of the Board of Directors shall be notified in writing to all directors at least fourteen days before the meeting.

**Article 123** Shareholders representing one-tenth or more of all voting rights, or one-third or more of all directors or the Board of Supervisors may propose an extraordinary meeting of the Board of Directors. The chairman shall convene and preside over the meeting of the Board of Directors within ten days after receiving the proposal.

**Article 124** When the Board of Directors convenes an extraordinary meeting of the Board of Directors, it shall notify all directors three days before the meeting by telephone, fax, hand delivery, letter, or email.

**Article 125** A notice of a meeting of the Board of Directors shall contain the following content:

- (I) the time and venue of the meeting;
- (II) the duration of the meeting;
- (III) the reasons for and the topics of the meeting;
- (IV) the date of the notice;
- (V) contact person and contact information.

**Article 126** A meeting of the Board of Directors shall be held only when a simple majority of the directors are present at the meeting. When determining whether a quorum is present at the meeting, directors who have a material interest in the relevant contract, transaction or arrangement shall not be counted. Unless otherwise provided by laws, administrative regulations and the Articles of Association, a resolution of the meeting of the Board of Directors must be passed with affirmative votes of a simple majority of all directors.

Each director shall have one vote for a resolution to be approved by the Board of Directors.

**Article 127** A director who is connected to the enterprise involved in a matter being resolved at a meeting of the Board of Directors shall not exercise his/her voting rights on such resolution, nor shall he/she exercise his/her voting rights on behalf of other directors; such meeting of the Board of Directors may be held when more than half of the non-connected directors attend the meeting, and the resolutions of the meeting of the Board of Directors must be passed with affirmative votes of a simple majority of non-connected directors. If the number of non-connected directors present at the meeting of the Board of Directors is less than three, such matter shall be submitted to the General Meeting for consideration.

**Article 128** The voting on resolutions of the Board of Directors shall be conducted in the form of open ballot.

On the premise of ensuring that directors can fully express their opinions, an extraordinary meeting of the Board of Directors may be conducted by means of communication in writing (including the delivery of meeting materials by hand, mail, fax and e-mail), teleconferencing or video conferencing in lieu of convening an on-site meeting, and shall be signed by the directors attending the meeting.

No written vote shall be taken at a regular meeting of the Board of Directors for the purpose of deliberating on any matter in which, in the opinion of the Board of Directors, a substantial shareholder or a director has a material conflict of interest as stipulated in the Hong Kong Listing Rules, or in any other circumstances as required by laws and regulations, the rules of supervision of the place where the Company's shares are listed, or the Articles of Association of the Company.

**Article 129** A director shall attend a meeting of the Board of Directors in person. A director who is unable to attend a meeting of the Board of Directors for any reason may authorize in writing another director to attend the meeting on his/her behalf, and the power of attorney shall specify the name of the proxy, the matters authorized, and the scope and validity period of the authorization, to which the signature or seal of the principal shall be affixed. The proxy shall exercise a director's rights within the scope of authorization. A director who fails to attend a meeting of the Board of Directors in person or by proxy shall be deemed to have waived his/her voting rights at the meeting.

A director shall not accept proxies from more than two directors to attend on their behalf at a Board meeting.

**Article 130** The Board of Directors shall keep minutes of resolutions on matters considered at the meeting and the minutes shall be signed by the directors attending the meeting, secretary to the Board of Directors and the person taking minutes. Directors attending the meeting shall have the right to record in the minutes an explanation of their speeches made at the meeting.

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

**Article 131** The minutes of a meeting of the Board of Directors shall include the following particulars:

- (I) the date and venue of the meeting, and the name of the convener;
- (II) the names of the directors attending the meeting and directors (proxies) appointed by others to attend the meeting of the Board of Directors;
- (III) the agenda of the meeting;
- (IV) the main points of directors' speeches;
- (V) the method and results of the voting for each resolution (the voting results shall state the number of affirmative and negative votes and abstention);
- (VI) other matters that should be explained and recorded in the meeting minutes.

### **Section 3 Secretary to the Board of Directors**

**Article 132** The Company shall have a secretary to the Board of Directors, who shall be appointed or dismissed by the Board of Directors.

**Article 133** The Board of Directors of the Company is responsible for information disclosure of the Company, and the secretary to the Board of Directors shall be responsible for affairs related to information disclosure.

**Article 134** Qualifications of the secretary to the Board of Directors:

- (I) a natural person with a university degree or above who has been engaged in secretarial, management and shareholding affairs for more than 3 years;
- (II) the secretary to the Board of Directors shall have knowledge of finance, taxation, law, finance, enterprise management, computer application, etc., have good professional ethics and personal qualities, strictly abide by the relevant laws, regulations and rules, and be able to faithfully fulfill his/her duties;
- (III) other qualifications prescribed by laws and regulations or the Articles of Association.

**Article 135** A person who falls under any of the following circumstances shall not serve as the secretary to the Board of Directors:

- (I) prohibited from serving as a senior management personnel as stipulated in the Company Law;
- (II) having been subject to administrative penalties imposed by the CSRC in the last three years;
- (III) having been publicly reprimanded or criticized by the stock exchange for more than three times in the last three years;
- (IV) current supervisors of the Company;
- (V) accountants from an accounting firm and lawyers from a law firm engaged by the Company;
- (VI) other circumstances as stipulated by laws, regulations or the Articles of Association that are unsuitable to serve as the secretary to the Board of Directors.

**Article 136** The secretary to the Board of Directors shall be nominated by the chairman of the Board of Directors and shall be appointed or dismissed by the Board of Directors. In dismissing the secretary to the Board of Directors, the Board of Directors shall have sufficient reasons and shall not do so without cause.

**Article 137** The secretary to the Board of Directors has the duty of acting in good faith and diligence towards the Company, and shall assume the relevant legal liabilities of the senior management, abide by the Articles of Association, faithfully perform his/her duties, protect the interests of the Company, and shall not take advantage of his/her position and authority in the Company to seek private gains.

**Article 138** The secretary to the Board of Directors shall be responsible for the preparation of the Company's General Meetings and meetings of the Board of Directors, the custody of documents, the management of the information of the Company's shareholders, and the handling of information disclosure matters.

The secretary to the Board shall abide by the relevant provisions of the law and the Articles of Association.

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

**Article 139** The Company shall have one general manager, who shall be appointed or dismissed by the Board of Directors.

The Company shall have several deputy general managers who shall be appointed or dismissed by the Board of Directors.

The general manager, the deputy general managers, the secretary to the Board of Director and the chief financial officer are senior management of the Company.

**Article 140** The circumstances under which a person may not serve as a director shall also apply to senior management.

The provisions on directors' duty of loyalty and diligence shall also apply to senior management.

**Article 141** Any person who takes position other than a director or supervisor in the controlling shareholders and actual controller of the Company shall not serve as senior management of the Company.

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

**Article 142** The general manager shall serve for a term of three years, and may be reappointed upon the expiry of his/her term of office.

**Article 143** The general manager shall be accountable to the Board of Directors and exercise the following functions and powers:

- (I) to be in charge of the production, operation and management of the Company, to organize the implementation of the resolutions of the Board of Directors, and to report his/her works to the Board of Directors;
- (II) to organize the implementation of the Company's annual business plans and investment plans;
- (III) to draft plans for the establishment of the Company's internal management organization;
- (IV) to draft the Company's basic management system;
- (V) to formulate the specific rules and regulations of the Company;
- (VI) to propose to the Board of Directors appointment or dismissal of deputy general manager or chief financial officer of the Company;
- (VII) to decide on appointment or dismissal of management personnel other than those required to be appointed or dismissed by the Board of Directors;
- (VIII) to deliberate on matters (except the acceptance of gift of cash assets) that do not meet the requirements stipulated in the Articles of Association for deliberation by the General Meeting and the Board of Directors;
- (IX) to deliberate on matters relating to the Company's purchase or sale of material assets within one year that do not exceed 10% of the Company's latest audited total assets;
- (X) other functions and powers conferred by the Articles of Association or the Board of Directors.

The general manager may attend the meetings of the Board of Directors as an observer. A general manager who is not a director has no voting rights at meetings of the Board of Directors.

**Article 144** The general manager shall formulate the working rules of the general manager and submit them to the Board of Directors for approval before implementation.

**Article 145** The working rules of the general manager shall include the following:

- (I) the conditions and procedures for convening, and participants of the general manager meetings;
- (II) the duties and responsibilities of the general manager and other members of the senior management;
- (III) the use of funds and assets of the Company, the authority to enter into material contracts and the systems for reporting to the Board of Directors and the Board of Supervisors;
- (IV) other matters deemed necessary by the Board of Directors.

**Article 146** The general manager may resign prior to the expiry of his/her term of office. The resignation of the general manager shall be dealt with in accordance with the service contract entered into between the general manager and the Company.

**Article 147** The deputy general manager and chief financial officer shall be nominated by the general manager and appointed or dismissed by the Board of Directors. The deputy general manager and chief financial officer shall assist the general manager in his/her work, and shall be responsible to the general manager for his/her work and report to him/her.

**Article 148** Where a senior management violates any laws, administrative regulations, departmental rules or the Articles of Association in executing his/her office in the Company, causing losses to the Company, he/she shall be liable for compensation.

**Article 149** Senior management members of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. Where a senior management of the Company fails to perform his/her duties faithfully or violates the fiduciary duty, causing damage to the interests of the Company and the public shareholders, he/she shall be liable for compensation in accordance with law.

## **Chapter 7 Board of Supervisors**

### **Section 1 Supervisors**

**Article 150** The circumstances under which a person may not serve as a director shall also apply to supervisors.

Directors, general manager and other senior management shall not concurrently act as supervisors.

The number of supervisors who served as directors or senior management of the Company within the last two years shall not exceed one-half of the total number of supervisors of the Company.

The directors and senior management of the Company and their spouses and immediate family members shall not serve as supervisors of the Company during their term of office.



**Article 151** Supervisors shall comply with the relevant laws, administrative regulations and the Articles of Association, and carry out their duties of loyalty and care to the Company. Supervisors are prohibited from abusing their authority in accepting bribes or other unlawful income and from misappropriating the Company's property.

**Article 152** A supervisor serves a three-year term, and can be re-elected and reappointed at the end of the term.

**Article 153** A supervisor shall continue to perform his/her duties as a supervisor in accordance with the laws, administrative regulations and the Articles of Association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of a supervisor results in the number of supervisors being less than the quorum.

**Article 154** Supervisors shall ensure that the information disclosed by the Company is true, accurate and complete, and sign written opinions confirming regular reports.

**Article 155** The supervisors may attend the meetings of the Board of Directors as observers, and may raise queries or suggestions on the resolutions of the Board meetings.

**Article 156** Supervisors shall not use their connected relationship to damage the interests of the Company. Supervisors who cause losses to the Company shall be liable for compensation.

**Article 157** A supervisor who contravenes laws, administrative regulations, departmental rules or the Articles of Association in the performance of his/her duties resulting in any loss to the Company shall be liable to the Company for compensation.

## **Section 2 Board of Supervisors**

**Article 158** The Company shall have a Board of Supervisors. The Board of Supervisors consists of three supervisors and shall have one chairman. The chairman of the Board of Supervisors shall be elected by more than half of the supervisors. The chairman of the Board of Supervisors shall convene and preside over meetings of the Board of Supervisors. Where the chairman of the Board of Supervisors is incapable of performing or is not performing his/her duties, a supervisor recommended by half or more of the supervisors shall convene and preside over meetings of the Board of Supervisors.

The Board of Supervisors shall include shareholder representatives and an appropriate proportion of company employee representatives, of which the proportion of employee representatives shall not be less than one-third. Employee representatives on the Board of Supervisors shall be democratically elected by employees through the employee representative congress, the employee congress, or any other means.

**Article 159** The Board of Supervisors shall exercise the following functions and powers:

- (I) to examine the Company's financial matters;
- (II) to supervise the performance by the directors and senior management of their duties to the Company and propose the dismissal of the directors and senior management who violates laws, administrative regulations, the Articles of Association or the resolutions of the General Meeting;
- (III) to demand rectification from the directors and senior management when the acts of such persons are harmful to the Company's interests;
- (IV) to propose the convening of extraordinary general meetings; to convene and preside the General Meeting in the event that the Board of Directors fails to perform its duties to convene and preside the General Meeting in accordance with the Company Law;
- (V) to submit proposals to the General Meeting;
- (VI) to file lawsuits against directors and senior management in accordance with the relevant provisions of the Company Law;
- (VII) in case of any abnormal matters during the business operation of the Company, to investigate, and if necessary, to engage professionals such as accounting firms or law firms to assist its work with expenses being borne by the Company;
- (VIII) to attend meetings of the Board of Directors as non-voting delegates;
- (IX) to review the regular reports prepared by the Board of Directors and provide written review opinions;
- (X) any other power granted by laws, regulations or the Articles of Association.

**Article 160** The Board of Supervisors shall meet at least once every six months and shall notify all supervisors ten days in advance. A supervisor may propose to convene an extraordinary meeting of the Board of Supervisors and shall notify all supervisors three days in advance.

Resolutions of the Board of Supervisors shall be passed by half or more of the supervisors.

The Board of Supervisors may require the Company's directors, senior managers, internal and external auditors to attend meetings of the Board of Supervisors and answer questions of concern.

**Article 161** In order to ensure the efficiency of the Board of Supervisors' work and scientific decision-making, the Board of Supervisors shall formulate the rules of procedure for the Board of Supervisors to specify the manner of deliberation and voting procedures for the Board of Supervisors.

The rules of procedure for the Board of Supervisors shall be annexed to the Articles of Association and shall be drafted by the Board of Supervisors and approved by the General Meeting.

**Article 162** The Board of Supervisors shall keep minutes of the meetings of the Board of Supervisors and the supervisors attending the meetings shall sign on the minutes of the meetings.

Supervisors have the right to request that their speeches at the meetings be recorded in the minutes with certain explanations. The minutes of the meetings of the Board of Supervisors shall be kept as company records for at least ten years.

**Article 163** The notice of a meeting of the Board of Supervisors shall include the following:

- (I) the date, venue and duration of the meeting;
- (II) the reasons for and the topics of the meeting;
- (III) contact person and contact information;
- (IV) the date of the notice.

## **Chapter 8 Financial and Accounting Systems, Profit Distribution and Auditing**

### **Section 1 Financial and Accounting Systems**

**Article 164** The Company shall develop its financial and accounting systems pursuant to laws, administrative regulations and the requirements of the competent authorities of China.

**Article 165** The Company shall submit and disclose its annual report to the CSRC (if required) and the stock exchange where the Company's shares are listed within four months from the end of each fiscal year and submit and disclose its interim report to the dispatched office of the CSRC (if required) and the stock exchange where the Company's shares are listed within two months from the end of the first half of each fiscal year. The Company may also submit and disclose quarterly reports in accordance with the relevant requirements of the stock exchange where the Company's shares are listed.

**Article 166** The above-mentioned financial reports shall be prepared in accordance with laws, administrative regulations, the relevant requirements of the CSRC and the securities regulatory authorities in the place where the Company's shares are listed.

**Article 167** The Company shall not establish other accounting books except for the statutory accounting books. The assets of the Company shall not be deposited in any account opened in the name of any individual.

**Article 168** In distributing its current-year after-tax profits, the Company shall allocate 10% of its profit to its statutory reserve. Allocations to the Company's statutory reserve may be waived once the cumulative amount of statutory reserve reached 50% or more of the Company's registered capital.

Where the statutory reserve is not sufficient to cover losses made by the Company in the previous years, the current year's profit shall be used to cover such loss before any allocation is made to the statutory reserve pursuant to the preceding paragraph.

After an allocation to the statutory reserve has been made from the after-tax profit of the Company, and subject to the adoption of a resolution by the General Meeting, an allocation may be made to the discretionary reserve fund.

After the Company has covered its losses and made allocations to the reserves, any remaining after-tax profit shall be distributed to the shareholders in proportion to their respective shareholdings unless otherwise stipulated in the Articles of Association.

Where the General Meeting, in violation of the preceding paragraph, distributes profits to the shareholders before covering Company's losses and making an allocation to the Company's statutory reserve, the profits so distributed must be returned to the Company.

Profits shall not be distributed for the shares held by the Company itself.

**Article 169** The Company's reserves shall be used to cover Company's losses, expand production and operations, or be converted to increase the Company's capital. However, the capital reserve shall not be used to cover Company's losses.

After converting statutory reserve into capital, the amount remaining in the statutory reserve shall be no less than 25% of the Company's registered capital before such conversion.

**Article 170** The distribution of dividends (or shares) shall be completed within two months after the General Meeting resolves on the profit distribution plan, or after the Board of Directors has formulated a specific plan based on the conditions and caps for the distribution of interim dividends for the following year as considered and approved by the annual general meeting.

**Article 171** The Company's profit distribution shall pay attention to bringing reasonable investment returns to investors, and the profit distribution policy shall maintain a certain degree of continuity and stability. Among them, the objective of the cash dividend policy is to grow dividends steadily.

The Company may distribute interim cash dividends.

The Company may distribute its profits in the form of cash or shares. On the premise of ensuring the funds required for normal production, operation and development, the Company shall distribute cash dividends in an appropriate proportion.

The Company may refrain from profit distribution when:

- (I) the Company's audit report for the most recent year is not an unqualified opinion or is a qualified opinion with a significant uncertainty paragraph related to the going concern;
- (II) the gearing ratio at the end of the most recent fiscal year is higher than 70%;
- (III) the operating cash flow of the most recent fiscal year is negative;
- (IV) other circumstances that the Company deems inappropriate for distribution.

## **Section 2 Internal Audit**

**Article 172** The Company implements an internal audit system and has dedicated auditors to conduct internal audit and supervision on the Company's financial income and expenditure and economic activities.

**Article 173** The internal audit system and the duties of the internal auditors of the Company shall be implemented after being approved by the Board of Directors. The audit leader shall be accountable to and reports to the Board of Directors.

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

**Article 174** The Company shall employ an accounting firm that complies with the provisions of the Securities Law to conduct accounting statement audit, net asset verification and other related consulting services. The employment period is one year, and can be renewed.

**Article 175** The appointment and dismissal of an accounting firm by the Company shall be decided by the General Meeting.

**Article 176** The Company shall guarantee to provide the accounting firm it employs with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting materials, and shall not refuse, conceal or make false statements.

**Article 177** The auditing fees payable to the accounting firm shall be determined by the General Meeting.

**Article 178** The Company shall notify the accounting firm thirty days in advance when dismissing or no longer renewing the accounting firm. The accounting firm shall be allowed to state its opinions when the General Meeting votes on dismissing the accounting firm.

If the accounting firm proposes to resign, it shall explain to the General Meeting whether the Company has any improper situation.

## **Chapter 9 Notice and Announcement**

### **Section 1 Notice**

**Article 179** Notices of the Company may be delivered through the following manners:

- (I) by hand;
- (II) by mail (including e-mail);
- (III) by fax or data message;
- (IV) by way of announcement on websites designated by the Company and the Hong Kong Stock Exchange, subject to the laws, administrative regulations and the listing rules of the stock exchange of the place where the Company's shares are listed;
- (V) by telephone;

(VI) any other means agreed in advance between the Company and the person to be notified or accepted by the person to be notified upon receipt of the notice;

(VII) other forms stipulated in the Articles of Association.

**Article 180** Where a notice issued by the Company is in the form of an announcement, all relevant persons are deemed to have received the notice once the announcement is made.

**Article 181** Notice of a General Meeting, a meeting of the Board of Directors or a meeting of the Board of Supervisors of the Company shall be given by personal delivery, mail, fax, telephone or announcement.

**Article 182** For a notice of the Company delivered by hand, the notice shall be deemed to be received upon signing (or affixing the seal) by the recipient on the note of receipt and the receipt date shall be the date of serving. If the notice is delivered by post, it shall be deemed to be received on the seventh day from the date the notice is delivered to the post office. If the notice is delivered by way of announcement, it shall be deemed to be received on the date on which the announcement is first published.

**Article 183** Where a notice of a meeting is not issued to a person entitled to the notice or such a person fails to receive the notice for any accidental omission, the validity of the meeting and the resolutions of the meeting shall not be affected.

## **Section 2 Announcement**

**Article 184** The Company's official website and the website of the Hong Kong Stock Exchange are designated by the Company as the media through which the Company's announcements and other information shall be disclosed.

## **Chapter 10 Merger, Division, Capital Increase, Capital Reduction, Dissolution and Liquidation**

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

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

One company absorbing another company is merger by absorption, and the Company being absorbed shall be dissolved. Merger of two or more companies through establishment of a new company is merger by establishment of a new entity, and the parties to the merger shall be dissolved.

**Article 186** A merger agreement shall be signed by merging companies and the involved companies shall prepare respective balance sheets and schedules of assets. The companies shall within ten days of the date of passing the resolution approving the merger notify their respective creditors and publicly announce the merger in newspapers within thirty days. A creditor may, within thirty days of receipt of the notification, or within forty-five days of the date of the announcement if he/she has not received the notification, request the Company to settle any outstanding debts or provide relevant guarantees.

**Article 187** In case of a merger, the claims and debts of the merging parties shall be assumed by the surviving or the new company.

**Article 188** In case of a division, the Company's assets shall be divided accordingly.

In case of a division, a balance sheet and a schedule of assets shall be prepared. When a resolution regarding the Company's division is approved, the Company should notify all its creditors within ten days of the date of passing such resolution and publicly announce the division in newspapers within thirty days.

**Article 189** The liabilities of the Company which have accrued prior to the division shall be jointly borne by the divided companies, unless an agreement in writing is reached with creditors before the Company's division in respect of the settlement of debts.

**Article 190** The Company shall prepare a balance sheet and a schedule of assets when it needs to reduce its registered capital.

The Company shall, within ten days of the date of passing the resolution approving the reduction of the registered capital, notify its creditors and publicly announce the reduction in newspapers within thirty days. A creditor may, within thirty days of receipt of the notification, or within forty-five days of the date of the announcement if he/she has not received the notification, request the Company to settle any outstanding debts or provide relevant guarantees.

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

**Article 191** Changes in the business registration of the companies as a result of the merger or division shall be registered with the company registration authority according to law. In accordance with law, cancelation of a company shall be registered when a company is dissolved and incorporation of a company shall be registered when a new company is incorporated.

Increase or reduction of the registered capital of the Company shall be registered with the company registration authority according to law.

## **Section 2 Dissolution and Liquidation**

**Article 192** The Company may be dissolved for the following reasons:

- (I) the term of business operation as stipulated by the Articles of Association expires or other circumstances for dissolution as stipulated by the Articles of Association arise;
- (II) the General Meeting resolves to dissolve the Company;
- (III) dissolution is necessary as a result of the merger or division of the Company;
- (IV) the business license is revoked or it is ordered to close down or it is deregistered according to law;

- (V) serious difficulties arise in the operation and management of the Company and its continued existence would cause material loss to the interests of the shareholders and such difficulties cannot be resolved through other means, in which case shareholders holding 10% or more of all shareholders' voting rights of the Company may petition a People's Court to dissolve the Company.

**Article 193** The Company may continue in existence by amending the Articles of Association under any of the circumstances prescribed in item (I) of previous article.

Any amendment to the Articles of Association in accordance with the provisions of the preceding paragraph shall be subject to the consent of shareholders with two-thirds or more of the voting rights present at the General Meeting.

Where the Company is to be dissolved pursuant to items (I), (II), (IV) and (V) of the previous article, a liquidation committee shall be established within fifteen days from the date when the event of dissolution occurs and commence the liquidation process.

The liquidation committee shall be composed of directors or members determined by the General Meeting. Where the Company fails to form a liquidation committee to liquidate the Company within the prescribed period of time, its creditors may petition the People's Court to appoint the relevant persons to establish a liquidation committee and liquidate the Company.

**Article 194** During the liquidation period, the liquidation committee shall exercise the following functions and powers:

- (I) to sort out the Company's assets and prepare a balance sheet and a list of property respectively;
- (II) to issue to creditors the notice or announcements;
- (III) to deal with any outstanding businesses of the Company relating to the liquidation;
- (IV) to pay outstanding taxes as well as taxes arising in the course of liquidation;
- (V) to settle claims and debts;
- (VI) to dispose of the remaining assets of the Company after the repayment of debts;
- (VII) to represent the Company in any civil proceedings.

**Article 195** Within ten days of the establishment of the liquidation committee, the creditors shall be notified and an announcement shall be published in newspapers within sixty days. Creditors shall file their claims with the liquidation committee within thirty days of receiving the notice, or within forty-five days of publication of the notice if any such creditor does not receive the notice.

In filing their claims, creditors shall provide all relevant details relating thereto and provide supporting materials. The liquidation committee shall make records of such claims.

The liquidation committee shall not pay out on any creditors' claims while such claims are still being filed.



**Article 196** After identifying the Company's assets and preparing the balance sheet and schedule of assets, the liquidation committee shall prepare a liquidation plan, which shall be submitted to the General Meeting or the People's Court for ratification.

After paying all liquidation expenses, staff wages, social insurance expenses and statutory compensation, outstanding taxes, and the Company's debts, the remaining assets shall be distributed to the shareholders in proportion to their respective shareholdings.

During the liquidation, the Company shall continue to exist, but shall not carry out business activities irrelevant to the liquidation. The property of the Company shall not be distributed to any shareholder before full payments have been made out of the property according to the aforesaid provision.

**Article 197** Where the liquidation committee, after identifying the Company's assets and preparing the balance sheet and schedule of assets, discovers that the Company does not have sufficient assets to repay the Company's debts in full, the liquidation committee shall file a bankruptcy petition with the People's Court in accordance with law.

After the Company is declared bankrupt by ruling of the People's Court, the liquidation committee shall turn over matters regarding the liquidation to the People's Court.

**Article 198** Upon closure of liquidation of the Company, the liquidation committee shall prepare a liquidation report, which shall be submitted to the General Meeting or the People's Court for confirmation, and be submitted to the company registration authority to apply for cancellation of the Company's registration and announce the termination of the Company.

**Article 199** Any member of the liquidation committee shall dutifully and lawfully fulfill the liquidation obligation.

Members of the liquidation committee are prohibited from abusing their authority in accepting bribes or other unlawful income and from misappropriating the Company's property.

Where any member of the liquidation committee causes any loss to the Company or the creditors due to will or gross negligence, such member shall be liable for compensation.

**Article 200** Where the Company is declared bankrupt according to law, bankruptcy liquidation shall be conducted pursuant to the laws on bankruptcy of enterprises.

## **Chapter 11 Amendments to the Articles of Association**

**Article 201** The Company shall amend the Articles of Association in any of the following circumstances:

- (I) after amendments are made to the Company Law, other relevant laws, administrative regulations, or the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association run counter to the said amendments;
- (II) the conditions of the Company have changed, and such change is not covered in the Articles of Association;
- (III) the General Meeting has resolved to amend the Articles of Association.

**Article 202** Where the amendments to the Articles of Association passed by the General Meetings need the examination and approval of the competent authorities, these amendments shall be submitted thereto for approval. Where the amendment of the Articles of Association involves registration, it shall be necessary to carry out the lawfully prescribed procedures for registration change.

**Article 203** The Board of Directors shall amend the Articles of Association in accordance with the resolution of the General Meeting on amendment to the Articles of Association and the examination and approval opinions from relevant competent authorities.

**Article 204** Amendments to the Articles of Association are information required to be disclosed by laws and regulations and shall be announced in accordance with such requirements.

## **Chapter 12 Supplementary Provisions**

### **Article 205 Definitions**

- (I) A controlling shareholder means a shareholder who holds 50% or more of the total share capital of the Company or a shareholder who holds less than 50% of the total shares but holds voting rights sufficient to have a significant influence on resolutions of the General Meeting.
- (II) An actual controller means a person, though not a shareholder of the Company, is able to effectively direct the activities of the Company by virtue of investment relationship, agreement or other arrangements.
- (III) Connected relationship refers to the relationship between the Company's controlling shareholders, actual controllers, directors, supervisors and senior management on the one hand and the enterprises they directly or indirectly control on the other hand, as well as other relationships that may lead to the diversion of the Company's interests. However, enterprises controlled by the state shall not be deemed to have a connected relationship merely by virtue of the fact that such enterprises are under the common control of the state.

**Article 206** The Board of Directors may, in accordance with the Articles of Association, formulate detailed rules of the Articles which shall not be in conflict with the provisions hereof.

**Article 207** The Articles of Association are written in Chinese. Where the versions written in other languages are in conflict with the Chinese version, the latest verified Chinese version registered in the State Administration for Industry and Commerce shall prevail.

**Article 208** The terms “or more”, “below” and “within” referred to herein shall include the given figure; and the terms “not more than”, “beyond”, “less than” and “exceed” shall not include the given figure.

**Article 209** Matters not covered in the Articles of Association shall be handled in accordance with the laws, regulations and the relevant provisions of the securities regulatory authorities of the place where the Company's shares are listed in conjunction with the actual situation of the Company. If the Articles of Association are in conflict with the laws, regulations, or provisions of the listing rules of the place where the Company's shares are listed promulgated from time to time, such laws, regulations, and provisions of the listing rules of the place where the Company's shares are listed shall prevail.

**Article 210** The power of interpretation of the Articles of Association shall be vested in the Board of Directors of the Company.

**Article 211** The appendices to the Articles of Association include the rules of procedure of the General Meeting, the rules of procedure for the Board of Directors and the rules of procedure for the Board of Supervisors. If there is any inconsistency between the rules of procedure of the General Meeting, the rules of procedure for the Board of Directors and the rules of procedure for the Board of Supervisors, the Articles of Association shall prevail.

**Article 212** The Article of Association was approved by the general meeting and shall become effective on the date on which the Company's initial public offering of overseas listed foreign shares (H shares) are listed on the Hong Kong Stock Exchange. From the effective date of these Articles of Association, the Company's original Articles of Association shall automatically become invalid.

AuGroup (SHENZHEN) Cross-Border Business Co., Ltd.