

**SUNSHINE LAKE PHARMA CO., LTD.**

**ARTICLES OF ASSOCIATION**

## CONTENTS

<b>CHAPTER 1</b>	<b>GENERAL PROVISIONS</b> .....	<b>3</b>
<b>CHAPTER 2</b>	<b>BUSINESS OBJECTIVES AND SCOPE OF THE COMPANY</b> .....	<b>5</b>
<b>CHAPTER 3</b>	<b>SHARES</b> .....	<b>6</b>
<b>SECTION 1</b>	<b>ISSUE OF SHARES</b> .....	<b>6</b>
<b>SECTION 2</b>	<b>INCREASE, DECREASE AND REPURCHASE OF SHARES</b> .....	<b>11</b>
<b>SECTION 3</b>	<b>TRANSFER OF SHARES</b> .....	<b>12</b>
<b>CHAPTER 4</b>	<b>SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETING</b> .....	<b>13</b>
<b>SECTION 1</b>	<b>SHAREHOLDERS</b> .....	<b>13</b>
<b>SECTION 2</b>	<b>GENERAL PROVISIONS OF THE SHAREHOLDERS' GENERAL MEETING</b> .....	<b>16</b>
<b>SECTION 3</b>	<b>CONVENING OF THE SHAREHOLDERS' GENERAL MEETING</b> .....	<b>18</b>
<b>SECTION 4</b>	<b>PROPOSALS AND NOTICES OF THE SHAREHOLDERS' GENERAL MEETING</b> .....	<b>19</b>
<b>SECTION 5</b>	<b>HOLDING OF THE SHAREHOLDERS' GENERAL MEETING</b> .....	<b>20</b>
<b>SECTION 6</b>	<b>VOTING AND RESOLUTIONS OF THE SHAREHOLDERS' GENERAL MEETING</b> .....	<b>24</b>
<b>CHAPTER 5</b>	<b>BOARD OF DIRECTORS</b> .....	<b>26</b>
<b>SECTION 1</b>	<b>DIRECTORS</b> .....	<b>26</b>
<b>SECTION 2</b>	<b>BOARD OF DIRECTORS</b> .....	<b>29</b>
<b>SECTION 3</b>	<b>SPECIAL COMMITTEES UNDER THE BOARD</b> .....	<b>34</b>
<b>CHAPTER 6</b>	<b>SENIOR MANAGEMENT</b> .....	<b>35</b>
<b>CHAPTER 7</b>	<b>BOARD OF SUPERVISORS</b> .....	<b>38</b>
<b>SECTION 1</b>	<b>SUPERVISORS</b> .....	<b>38</b>
<b>SECTION 2</b>	<b>BOARD OF SUPERVISORS</b> .....	<b>38</b>
<b>CHAPTER 8</b>	<b>FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT</b> .....	<b>41</b>
<b>SECTION 1</b>	<b>FINANCIAL AND ACCOUNTING SYSTEM</b> .....	<b>41</b>
<b>SECTION 2</b>	<b>PROFIT DISTRIBUTION</b> .....	<b>42</b>
<b>SECTION 3</b>	<b>APPOINTMENT OF ACCOUNTING FIRMS</b> .....	<b>44</b>
<b>CHAPTER 9</b>	<b>NOTICES AND ANNOUNCEMENTS</b> .....	<b>44</b>
<b>CHAPTER 10</b>	<b>MERGER, DIVISION, CAPITAL INCREASE AND DECREASE, DISSOLUTION AND LIQUIDATION</b> .....	<b>46</b>
<b>SECTION 1</b>	<b>MERGER, DIVISION, CAPITAL INCREASE AND DECREASE</b> .....	<b>46</b>
<b>SECTION 2</b>	<b>DISSOLUTION AND LIQUIDATION OF THE COMPANY</b> .....	<b>47</b>
<b>CHAPTER 11</b>	<b>AMENDMENTS TO THE ARTICLES OF ASSOCIATION</b> .....	<b>49</b>
<b>CHAPTER 12</b>	<b>SUPPLEMENTARY PROVISIONS</b> .....	<b>50</b>

# ARTICLES OF ASSOCIATION OF SUNSHINE LAKE PHARMA CO., LTD.

## CHAPTER 1 GENERAL PROVISIONS

**Article 1** In order to standardize the organization and behaviors of Sunshine Lake Pharma Co., Ltd. (hereinafter referred to as the “Company”), and protect the legitimate interests of the Company, shareholders and creditors, these Articles are formulated in accordance with the requirements of the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (hereinafter referred to as the “Trial Measures”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “SEHK Listing Rules”) and other relevant laws and regulations, and with reference to the Guidelines for Articles of Association of Listed Companies (hereinafter referred to as the “Guidelines for Articles”).

**Article 2** The Company was established by overall conversion from Sunshine Lake Pharma Limited to a joint stock limited company in accordance with the Company Law and other relevant requirements.

The Company’s unified social credit code is 914419007583367471.

The Company was jointly established by Yichang HEC Research Co., Ltd., Jiaxing Xingsheng Dongyan Investment Partnership (L.P.), Jiaxing Xingsheng Guangchuang Investment Partnership (L.P.), Shenzhen Dicheng Investment Center (L.P.), Yidu Junjiafang Equity Investment Partnership (L.P.), Yidu Shuaixinwei Equity Investment Partnership (L.P.), Dongyang Guangsheng Enterprise Management Partnership (L.P.), Guangdong Advanced Manufacturing Industry Investment Fund Partnership (L.P.), Guangzhou Xinquanxin Investment Partnership (L.P.), Shenzhen Qinzhi Kanghong Venture Capital Partnership (L.P.), Gongqingcheng Jianyi Investment Partnership (L.P.), Wuhan Mige Investment Management Partnership (L.P.), Jiaxing Ximian Equity Investment Partnership (L.P.), Zhuhai Hengqin Cuiheng New Era Industrial Investment Fund (L.P.), Yidu Yingwenfang Equity Investment Partnership (L.P.), Yidu Fangwenwen Equity Investment Partnership (L.P.), China Cinda Asset Management Co., Ltd., China Orient Asset Management Co., Ltd., Zhuhai Kangyang Management Consulting Partnership (L.P.), Jiaxing Jiayu Equity Investment Partnership (L.P.), Dongguan Guanzhiguang Equity Investment Partnership (L.P.), Shenzhen Xinshi Xinxing Industry Merger and Acquisition Equity Investment Fund Partnership (L.P.), Jiaxing Aomin Equity Investment Partnership (L.P.), Pingxiang Junyuan Tongchuang Enterprise Management Center (L.P.), Huzhou Rongrui Equity Investment Partnership (L.P.), Yuan Zhimin, Guangzhou Yuanshi No. 1 Venture Investment Partnership (L.P.), Zhuji Wolun Jingfu Equity Investment Partnership (L.P.), Hunan Xingxiang Jiacheng Private Equity Investment Fund Partnership (L.P.), Shenzhen Jiahui Chuanglong Investment Enterprise (L.P.), Wenzhou Zhenrui Equity Investment Partnership (L.P.), Zaozhuang Changsheng Yingkang Equity Investment Management Partnership (L.P.), Dongguan Science & Technology Innovative Financial Group Co., Ltd., Dongguan Municipal Biotechnology Industry Investment Co., Ltd., Dongguan Songshan Lake Science City Investment Co., Ltd., Ruyuan Yao Autonomous County Yinyuan Electric Power Group Co., Ltd., Ningbo Daxie Hansheng Enterprise Management Co., Ltd., Guangdong Shunyin Industry Financing Investment Co., Ltd., Shenzhen Wenzheng Changxing Venture Capital Enterprise (L.P.), Guiyang SME Development Fund (L.P.), Yidu Guotong Investment Development Co., Ltd., Shaoguan Qianhai Xizheng Industry Development Fund Enterprise (L.P.),

Suzhou CICC SAIC Emerging Industry Equity Investment Fund Partnership (L.P.), Zhuhai Kangpu Equity Investment Partnership (L.P.), CCB Financial Asset Investment Co., Ltd., Guangdong HEC Technology Holding Co., Ltd., Hangzhou Zhonghe Guoxin No. 1 Equity Investment Fund Partnership (L.P.), Shenzhen HEC Industrial Development Co., Ltd. as its promoters, as well as overall conversion from Sunshine Lake Pharma Limited to a joint stock limited company. It was registered with the Market Supervision and Administration of Dongguan City and has obtained the business license.

**Article 3** The Company completed the filing procedures with the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) on June 16, 2025 to issue 112,712,832 overseas listed foreign shares (hereinafter referred to as the “H Shares”) on the Main Board of The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”) and was listed by way of introduction on the Main Board of the Hong Kong Stock Exchange on August 7, 2025.

**Article 4** The Company’s registered name is:

Full name in Chinese: 廣東東陽光藥業股份有限公司

Full name in English: SUNSHINE LAKE PHARMA CO., LTD.

**Article 5** The Company’s domicile is 1 Industrial North Road, Songshan Lake Park, Dongguan City, Guangdong Province, the PRC.

Postal code: 523808

Tel: 0769-22895888

**Article 6** The registered capital of the Company is RMB576,656,047.

**Article 7** The chairman of the Board of Directors or the general manager is the legal representative of the Company.

**Article 8** The Company is a joint stock limited company with perpetual existence and is an independent legal entity. The Company conducts independent accounting and operates on its own, and be liable for its own profits and losses. All the assets of the Company are divided into equal shares. The shareholders of the Company shall bear liability for the Company to the extent of the shares they hold, and the Company shall bear liability for the debts of the Company with its entire assets.

**Article 9** The Company resolutely abides by national laws, regulations and the requirements under these Articles, safeguards national and social public interests, and accepts the supervision of relevant government departments.

**Article 10** These Articles, being the code of conduct for the Company, are passed at the shareholders’ general meeting of the Company. From the date when these Articles take effect, these Articles constitute a legally binding document regulating the Company’s organization and activities, and the rights and obligations between the Company and each shareholder and among the shareholders.

**Article 11** These Articles are binding on the Company and its shareholders, Directors, Supervisors and senior management. All of the aforesaid persons are entitled, according to these Articles, to make claims in respect of rights concerning the matters of the Company.

Pursuant to these Articles, shareholders may institute legal proceedings against the Company; the Company may institute legal proceedings against shareholders; shareholders may institute legal proceedings against shareholders; and shareholders may institute legal proceedings against Directors, Supervisors and senior management of the Company.

Legal proceedings referred to in the preceding paragraph include any legal action brought before a court and any arbitration application submitted to an arbitration institution.

**Article 12** The Company may invest in other limited liability companies, joint stock limited companies or other enterprises, and the Company's liabilities to an invested enterprise shall be limited to the amount of its capital contribution to such enterprise.

The Company shall not become a capital contributor that shall bear the joint and several liabilities for the debts of the enterprises it invests in, unless it is otherwise provided for by laws.

**Article 13** The senior management referred to these Articles include general manager, deputy general managers, financial officer, secretary to the Board of Directors and other senior management recognized by the Board.

## **CHAPTER 2 BUSINESS OBJECTIVES AND SCOPE OF THE COMPANY**

**Article 14** The business objective of the Company is scientific innovation for healthy life.

**Article 15** The business scope of the Company covers licensed items: Production of medicines; retail of medicines; wholesale of medicines; entrusted production of medicines; import and export of medicines; (Items that are subject to approval in accordance with the law may only be carried out upon approval by relevant departments. The specific operation items are subject to the approvals or licenses from relevant departments) and general items: medical research and experimental development; import and export of goods; import and export of technologies. (Except for items subject to approval in accordance with the law, business activities shall be carried out independently under the business license in accordance with the law).

The business scope referred to in the preceding paragraph shall be such items as approved by the relevant company registration authority.

The Company may, based on any changes in domestic and international markets, business development and its own capability, adjust its business scope, make amendments to these Articles according to the relevant procedures and complete relevant formalities of industry and commerce administration registration for such adjustment according to relevant provisions.

## CHAPTER 3 SHARES

### SECTION 1 ISSUE OF SHARES

**Article 16** The shares of the Company shall be in registered form. All shares issued by the Company shall have a par value denominated in RMB, with each share having a par value of RMB1.

RMB referred to in the preceding paragraph refers to the statutory currency of the People's Republic of China.

**Article 17** The Company shall issue shares in a fair and just manner, and each share of the same class shall have the same rights.

The issue terms and price per share of the same class in the same issue shall be the same; the same price shall be paid for each share of the same class during the same share issue subscribed for by any entities or individuals.

Domestic shares and H Shares issued by the Company shall have the same rights in any distribution of dividends or other forms of distributions. The Company shall not exercise any right to freeze or otherwise damage the rights attached to any shares directly or indirectly held by any person only on the ground that the said person has not disclosed his/her equity to the Company.

**Article 18** Subject to the registration or filing with the relevant securities regulatory authority under the State Council, the Company may issue shares to domestic investors and foreign investors.

Foreign investors as referred to in the preceding paragraph shall mean those investors in foreign countries and Hong Kong, Macau or Taiwan Region who subscribe for shares of the Company. Domestic investors shall mean those investors in the People's Republic of China, excluding the aforementioned regions, who subscribe for shares of the Company.

**Article 19** All the shares issued by the Company shall have a par value denominated in RMB. Shares that the Company issues to domestic investors for subscription in RMB shall be known as domestic shares. Shares that the Company issues to foreign investors for subscription in foreign currencies shall be known as foreign shares. Foreign shares listed overseas shall be known as overseas listed foreign shares.

Foreign currency aforementioned refers to the statutory currency, other than RMB, of another country or region, which is recognized by the foreign exchange authority of the state and can be used to pay the Company for the shares.

Both holders of domestic shares and holders of foreign shares are common shareholders and shall have the same rights and obligations.

If the individual who has his/her name registered or requests to have his/her name registered on the register of shareholders loses his/her share certificate(s), he/she may apply to the Company for issuing replacement share certificate(s) representing the same shares.

In the event that a holder of overseas listed foreign shares loses his/her share certificate(s) and applies for issuing replacement share certificate(s), he/she should follow the procedures as required by the laws, regulations of the stock exchange or other related rules in the place where the register of shareholders for such overseas listed foreign shares is kept.

**Article 20** Where permitted by relevant laws, administrative regulations and departmental rules, upon filing with the securities regulatory authority under the State Council, all or part of the domestic shares may be converted into overseas listed shares that are listed and traded on an overseas stock exchange. The listing and trading of such shares on an overseas stock exchange shall also comply with the regulatory procedures, regulations and requirements of such overseas stock exchange. The conversion and/or transfer of the aforesaid shares and the listing and trading of such shares on an overseas stock exchange are not subject to voting at the shareholders' general meeting. The overseas listed shares converted from domestic shares shall be of the same class as the original overseas listed shares.

**Article 21** Domestic shares issued by the Company shall be centrally deposited at the depository which meets the relevant requirements. The H Shares issued by the Company in Hong Kong are mainly under the custody of the securities depository and clearing company in Hong Kong and may also be held by shareholders in their own names.

**Article 22** The total number of shares was 450,000,000 upon the Company's incorporation, all of which are common shares subscribed for by the promoters. Each promoter has paid up capital contributions in respect of the Company's shares he/she subscribed for. The names of the Company's promoters, number of shares subscribed for, method of contribution, date of contribution, and shareholding percentage are set out below:

No.	Names of promoters	Number of the Company's Shares held (shares)	Shareholding percentage (%)	Method of contribution	Date of contribution
1	Yichang HEC Research Co., Ltd.	126,238,500	28.0534	Shares converted from net assets	June 19, 2023
2	Jiaxing Xingsheng Dongyan Investment Partnership (L.P.)	9,679,689	2.1510	Shares converted from net assets	June 19, 2023
3	Jiaxing Xingsheng Guangchuang Investment Partnership (L.P.)	1,319,958	0.2933	Shares converted from net assets	June 19, 2023
4	Shenzhen Dicheng Investment Center (L.P.)	2,111,933	0.4693	Shares converted from net assets	June 19, 2023
5	Yidu Junjiafang Equity Investment Partnership (L.P.)	7,651,813	1.7004	Shares converted from net assets	June 19, 2023
6	Yidu Shuaixinwei Equity Investment Partnership (L.P.)	30,607,250	6.8016	Shares converted from net assets	June 19, 2023
7	Dongyang Guangsheng Enterprise Management Partnership (L.P.)	13,595,563	3.0212	Shares converted from net assets	June 19, 2023
8	Guangdong Advanced Manufacturing Industry Investment Fund Partnership (L.P.)	13,199,575	2.9332	Shares converted from net assets	June 19, 2023



No.	Names of promoters	Number of the Company's Shares held (shares)	Shareholding percentage (%)	Method of contribution	Date of contribution
9	Guangzhou Xinquanxin Investment Partnership (L.P.)	59,398	0.0132	Shares converted from net assets	June 19, 2023
10	Shenzhen Qinzhi Kanghong Venture Capital Partnership (L.P.)	2,089,934	0.4644	Shares converted from net assets	June 19, 2023
11	Gongqingcheng Jianyi Investment Partnership (L.P.)	5,719,816	1.2711	Shares converted from net assets	June 19, 2023
12	Wuhan Mige Investment Management Partnership (L.P.)	1,957,938	0.4351	Shares converted from net assets	June 19, 2023
13	Jiaxing Ximian Equity Investment Partnership (L.P.)	659,978	0.1467	Shares converted from net assets	June 19, 2023
14	Zhuhai Hengqin Cuiheng New Era Industrial Investment Fund (L.P.)	1,209,961	0.2689	Shares converted from net assets	June 19, 2023
15	Yidu Yingwenfang Equity Investment Partnership (L.P.)	11,477,892	2.5506	Shares converted from net assets	June 19, 2023
16	Yidu Fangwenwen Equity Investment Partnership (L.P.)	11,477,892	2.5506	Shares converted from net assets	June 19, 2023
17	China Cinda Asset Management Co., Ltd.	10,239,236	2.2754	Shares converted from net assets	June 19, 2023
18	China Orient Asset Management Co., Ltd.	9,541,955	2.1204	Shares converted from net assets	June 19, 2023
19	Zhuhai Kangyang Management Consulting Partnership (L.P.)	6,599,787	1.4666	Shares converted from net assets	June 19, 2023
20	Jiaxing Jiayu Equity Investment Partnership (L.P.)	8,799,718	1.9555	Shares converted from net assets	June 19, 2023
21	Dongguan Guanzhiguang Equity Investment Partnership (L.P.)	2,199,929	0.4889	Shares converted from net assets	June 19, 2023
22	Shenzhen Xinshi Xinxing Industry Merger and Acquisition Equity Investment Fund Partnership (L.P.)	3,255,896	0.7235	Shares converted from net assets	June 19, 2023



No.	Names of promoters	Number of the Company's Shares held (shares)	Shareholding percentage (%)	Method of contribution	Date of contribution
23	Jiaxing Aomin Equity Investment Partnership (L.P.)	910,771	0.2024	Shares converted from net assets	June 19, 2023
24	Pingxiang Junyuan Tongchuang Enterprise Management Center (L.P.)	439,986	0.0978	Shares converted from net assets	June 19, 2023
25	Huzhou Rongrui Equity Investment Partnership (L.P.)	4,993,839	1.1097	Shares converted from net assets	June 19, 2023
26	Yuan Zhimin	6,599,787	1.4666	Shares converted from net assets	June 19, 2023
27	Guangzhou Yuanshi No. 1 Venture Investment Partnership (L.P.)	1,513,551	0.3363	Shares converted from net assets	June 19, 2023
28	Zhuji Wolun Jingfu Equity Investment Partnership (L.P.)	1,319,958	0.2933	Shares converted from net assets	June 19, 2023
29	Hunan Xingxiang Jiacheng Private Equity Investment Fund Partnership (L.P.)	1,099,965	0.2444	Shares converted from net assets	June 19, 2023
30	Shenzhen Jiahui Chuanglong Investment Enterprise (L.P.)	1,000,967	0.2224	Shares converted from net assets	June 19, 2023
31	Wenzhou Zhenrui Equity Investment Partnership (L.P.)	3,702,481	0.8228	Shares converted from net assets	June 19, 2023
32	Zaozhuang Changsheng Yingkang Equity Investment Management Partnership (L.P.)	1,099,965	0.2444	Shares converted from net assets	June 19, 2023
33	Dongguan Science & Technology Innovative Financial Group Co., Ltd.	2,199,929	0.4889	Shares converted from net assets	June 19, 2023
34	Dongguan Municipal Biotechnology Industry Investment Co., Ltd.	2,199,929	0.4889	Shares converted from net assets	June 19, 2023
35	Dongguan Songshan Lake Science City Investment Co., Ltd.	6,599,787	1.4666	Shares converted from net assets	June 19, 2023
36	Ruyuan Yao Autonomous County Yinyuan Electric Power Group Co., Ltd.	1,099,965	0.2444	Shares converted from net assets	June 19, 2023

No.	Names of promoters	Number of the Company's Shares held (shares)	Shareholding percentage (%)	Method of contribution	Date of contribution
37	Ningbo Daxie Hansheng Enterprise Management Co., Ltd.	2,199,929	0.4889	Shares converted from net assets	June 19, 2023
38	Guangdong Shunyin Industry Financing Investment Co., Ltd.	2,199,929	0.4889	Shares converted from net assets	June 19, 2023
39	Shenzhen Wenzheng Changxing Venture Capital Enterprise (L.P.)	1,185,761	0.2635	Shares converted from net assets	June 19, 2023
40	Guiyang SME Development Fund (L.P.)	1,099,965	0.2444	Shares converted from net assets	June 19, 2023
41	Yidu Guotong Investment and Development Co., Ltd.	2,199,929	0.4889	Shares converted from net assets	June 19, 2023
42	Shaoguan Qianhai Xizheng Industry Development Fund Enterprise (L.P.)	2,199,929	0.4889	Shares converted from net assets	June 19, 2023
43	Suzhou CICC SAIC Emerging Industry Equity Investment Fund Partnership (L.P.)	3,299,894	0.7333	Shares converted from net assets	June 19, 2023
44	Zhuhai Kangpu Equity Investment Partnership (L.P.)	4,201,864	0.9337	Shares converted from net assets	June 19, 2023
45	CCB Financial Asset Investment Co., Ltd.	6,599,790	1.4666	Shares converted from net assets	June 19, 2023
46	Guangdong HEC Technology Holding Co., Ltd.	50,989,649	11.3310	Shares converted from net assets	June 19, 2023
47	Hangzhou Zhonghe Guoxin No. 1 Equity Investment Fund Partnership (L.P.)	558,333	0.1241	Shares converted from net assets	June 19, 2023
48	Shenzhen HEC Industrial Development Co., Ltd.	58,790,537	13.0646	Shares converted from net assets	June 19, 2023
<b>Total</b>		<b>450,000,000</b>	<b>100.0000</b>	—	—

**Article 23** The share capital structure of the Company is 576,656,047 ordinary shares, including 463,943,215 domestic shares and 112,712,832 H Shares.

**Article 24** The Company or its subsidiaries (including affiliates of the Company) shall not provide any financial assistance in the form of gifts, advances, guarantees, compensation or loans to purchasers or prospective purchasers of the Company's shares.

## **SECTION 2 INCREASE, DECREASE AND REPURCHASE OF SHARES**

**Article 25** The Company may increase registered capital by the following ways in light of its business and development needs and in accordance with the relevant laws and regulations, the listing rules of the place where the shares of the Company are listed and these Articles and by resolutions made at shareholders' general meetings:

- (I) public offering of shares;
- (II) non-public offering of shares;
- (III) distributing new shares to existing shareholders;
- (IV) transferring reserve funds to increase share capital;
- (V) any other ways stipulated by laws, administrative regulations and requirements of the CSRC.

Issue of new shares by the Company for capital increase shall be subject to approval as specified in these Articles and follow the procedures specified in the relevant State laws and administrative regulations.

**Article 26** The Company may decrease its registered capital. Such decrease shall be made in accordance with the procedures set out in the Company Law, other relevant provisions and these Articles.

**Article 27** The Company may not purchase its own shares except in any of the following circumstances:

- (I) reducing the registered capital of the Company;
- (II) merging with other companies holding shares of the Company;
- (III) using the shares for employee shareholding schemes or as share incentives;
- (IV) requesting the Company to repurchase its shares from shareholders who object to resolutions of the shareholders' general meeting concerning merger or division of the Company;

- (V) using the shares for conversion of convertible corporate bonds issued by the Company;
- (VI) it is necessary for the Company to maintain its value and the shareholders' equity;
- (VII) other circumstances as stipulated by the laws, administrative regulations, regulatory rules of the place where the Company's shares are listed.

The Company may repurchase its shares through open and centralized trading or other methods permitted by laws, administrative regulations, the CSRC and the stock exchange where the Company's shares are listed.

**Article 28** Repurchase of the Company's shares for reasons set out in (I) to (II) of Article 27 of these Articles shall be subject to a resolution at a shareholders' general meeting. Repurchase of the Company's shares for reasons specified in (III), (V) or (VI) of Article 27 of these Articles shall be subject to a resolution at a Board meeting at which no less than two thirds of the Directors are present in accordance with these Articles or with the authorization of the shareholders' general meeting.

**Article 29** Shares repurchased by the Company under (I) of Article 27 herein shall be cancelled within 10 days from the date of repurchase; shares repurchased under (II) and (IV) of Article 27 herein shall be transferred or cancelled within 6 months thereafter; and shares repurchased in accordance with (III), (V) and (VI) of Article 27 herein shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within 3 years.

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

Where the laws and regulations, normative documents and the relevant provisions of the securities regulatory authority at the place where the shares of the Company are listed have any other provisions in respect of the relevant matters relating to the aforesaid share repurchase, such provisions shall prevail.

### **SECTION 3 TRANSFER OF SHARES**

**Article 30** Shares of the Company may be transferred, presented, inherited and pledged pursuant to relevant laws, administrative regulations and these Articles. Instruments of transfer and other documents in relation to the ownership of shares shall be registered with the share registry entrusted by the Company.

All transfers of H Shares shall be executed with a written instrument of transfer in general or ordinary format or any other format accepted by the Board of Directors (including the standard format of transfer or form of transfer as required by the Hong Kong Stock Exchange from time to time). If the transferor or transferee of the shares of the Company is a recognised clearing house as defined by relevant ordinances of Hong Kong laws in force from time to time (hereinafter referred to as the "Recognised Clearing House") or its nominee, the signature on the written instrument of transfer may be signed by hand or in mechanically printed form. All instruments of transfer must be kept at the legal address of the Company or other place as may be designated by the Board of Directors from time to time.

The Company shall not accept its own shares as the subject matter of pledge.

**Article 31** The shares of the Company held by the promoters shall not be transferred within one year from the date of establishment of the Company. Shares previously issued by the Company prior to the public offering shall not be transferred within one year from the date on which the shares of the Company are listed and traded on a stock exchange.

The Directors, Supervisors and senior management of the Company shall report to the Company their shareholdings in the Company and changes therein and shall not transfer more than 25% of the total number of the same class of shares of the Company held by them each year during their terms of office. The shares of the Company held by them shall not be transferred within one year from the date when the shares of the Company are listed and traded. The aforesaid persons shall not transfer the shares of the Company held by them within six months from the date when they leave office.

Where there are other requirements on the transfer restrictions of H Shares by the securities regulatory authority at the place where the Company's shares are listed, such requirements shall prevail.

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

### **SECTION 1 SHAREHOLDERS**

**Article 32** The Company establishes a register of shareholders based on the certificates provided by securities registries, and the register of shareholders is sufficient evidence proving the shareholders' holding of the Company's shares. A shareholder shall enjoy rights and bear obligations according to the class and quantity of the shares held by him/her. Shareholders of the same class shall enjoy the same rights and bear the same obligations.

For H Shares listed in Hong Kong, the original of the register of shareholders shall be kept in Hong Kong, which shall be available for inspection by shareholders, provided that the Company may suspend the registration of shareholders (if necessary) in accordance with applicable laws and regulations and the securities regulatory rules of the place where the Company's shares are listed.

**Article 33** If the Company convenes a shareholders' general meeting, distributes dividends, liquidates or carries out other activities which would require the determination of shareholders' identity, the Board or convener of the shareholders' general meeting shall fix a shareholding registration date. Upon the close of such date, the shareholders who remain on the register shall be deemed as the shareholders entitled to relevant interests.

**Article 34** Shareholders of the Company shall have the following rights:

- (I) to receive distributable profits and other distributions in proportion to the number of shares they hold;
- (II) to lawfully require, convene, preside over, attend or appoint a proxy to attend shareholders' general meetings and to vote thereat as per their shareholdings;
- (III) to supervise, manage, present suggestions on or make inquiries about the business activities of the Company;
- (IV) to transfer, gift, pledge or otherwise dispose of their shares in accordance with laws, administrative regulations and these Articles;

- (V) to inspect these Articles, register of shareholders, corporate bond counterfoils, minutes of shareholders' general meeting, resolutions of Board meetings, resolutions of Board of Supervisors meetings and financial statements;
- (VI) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining assets of the Company according to the number of shares held;
- (VII) with respect to shareholders who vote against any resolution adopted at the shareholders' general meeting on the merger or division of the Company, the right to demand the Company to acquire the shares held by them;
- (VIII) any other rights stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles.

**Article 35** Shareholders shall provide written documents that can prove the class and number of shares held by them if they request to inspect relevant information mentioned in Article 34 or collect information, the Company should provide the information according to the shareholder's request after verifying the identity of the shareholder. Shareholders shall keep confidential of the information and materials reviewed.

In addition, shareholders may request to inspect the accounting books of the Company. In such case, such request shall be made to the Company in writing and state its purposes. If the Company, on reasonable grounds, considers that the shareholders are inspecting the accounting books for improper purposes and may result in damage to the Company's legitimate interests, the Company may refuse the inspection and make a written response to the shareholders stating its reasons within 15 days upon delivery of the written request by the shareholders. If the Company refuses the inspection, the shareholders may file an application to the People's Court to request the Company to provide inspection of the accounting books of the Company.

**Article 36** If any resolution of the shareholders' general meeting or the Board meeting violates the laws or administrative regulations, the shareholders shall have the right to submit to the People's Court to declare the resolution invalid.

If the convening procedures or voting methods for the shareholders' general meeting or the Board meeting violate the laws, administrative regulations or these Articles, or any content of the resolution thereof violates these Articles, the shareholders shall have the right to submit to the People's Court within 60 days after such a resolution is made to revoke it.

**Article 37** Shareholders individually or jointly holding no less than 1% of the Company's shares for no less than 180 consecutive days shall have the right to request the Board of Supervisors in writing to bring a legal action in the People's Court against any Director or senior management for loss of Company resulting from their violation of any laws, administrative regulations or provisions of these Articles in the course of performing their duties; shareholders may request the Board in writing to bring a legal action against the Board of Supervisors for the loss of the Company resulting from their violation of any laws, administrative regulations or provisions of these Articles in the course of performing the duties.



The shareholders described in the preceding paragraph may bring legal action in the People's Court directly in their own names in the interest of the Company in the event that the Board of Supervisors or the Board refuses to initiate legal proceedings after receiving the aforesaid written request of shareholders, or fails to initiate such legal proceedings within 30 days on which such request is received, or in case of emergency where failure to initiate such legal proceedings immediately will result in irreparable damage to the Company's interest.

If any person infringes the lawful rights and interests of the Company, thus causing any losses to the Company, the shareholders as mentioned in the first paragraph of this Article may initiate legal proceedings in the People's Court in accordance with the provisions of the preceding paragraphs.

**Article 38** If any Director or senior management is in violation of laws, administrative regulations or these Articles, thus causing any losses to the shareholders, the shareholders may initiate legal proceedings against such Director or senior management in the People's Court.

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

- (I) to observe laws, administrative regulations and these Articles;
- (II) to pay fund contributions as per the number of shares subscribed for and the method of subscription;
- (III) not to withdraw their shares unless required by laws and regulations;
- (IV) not to abuse their shareholders' rights to jeopardize the interests of the Company or other shareholders; and not to abuse the status of the Company as an independent legal person and the limited liability of shareholders to jeopardize the interests of any creditors of the Company;
- (V) other obligations imposed by laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed and these Articles.

Where any shareholder of the Company abuses the shareholders' rights and incur losses to the Company or other shareholders, such shareholder shall be liable for the damages according to law; Where shareholders of the Company abuse the Company's status as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

**Article 40** The controlling shareholders, de facto controller, Directors, Supervisors and senior management of the Company shall not use their connected relationships to jeopardize the interests of the Company; otherwise, they shall make compensation for the loss incurred by the Company.

The controlling shareholders and de facto controller of the Company shall have fiduciary duties towards the Company and its public shareholders. Each of the controlling shareholders shall exercise its rights as a capital contributor in strict compliance with the laws. The controlling shareholders shall not jeopardize the legitimate rights and interests of the Company and public shareholders by means of profit distribution, asset restructuring, external investment, fund appropriation, loan guarantee, etc., and shall not use its status of control to jeopardize the interests of the Company and public shareholders.



## **SECTION 2    GENERAL PROVISIONS OF THE SHAREHOLDERS’ GENERAL MEETING**

**Article 41**    The shareholders’ general meeting of the Company consists of all shareholders, and is the organ of authority of the Company, which shall exercise the following functions and powers:

- (I)        to determine the business guidelines and investment plans of the Company;
- (II)       to elect and replace Directors and Supervisors who are not representatives of the employees and to determine matters relating to remuneration of the Directors and Supervisors;
- (III)      to consider and approve the reports of the Board;
- (IV)      to consider and approve the reports of the Board of Supervisors;
- (V)       to consider and approve the annual financial budgets and the final accounts of the Company;
- (VI)      to consider and approve the profit distribution plans and loss recovery plans of the Company;
- (VII)     to resolve on increase or decrease of the registered capital of the Company;
- (VIII)    to resolve on the Company’s issue of bonds, any class of shares, warrants and other similar securities;
- (IX)      to resolve on the merger, division, dissolution and liquidation of the Company or changes in the form of the Company;
- (X)       to amend these Articles;
- (XI)      to consider proposals submitted by shareholder(s) severally or jointly holding 3% or more of the voting shares of the Company;
- (XII)     to resolve on the appointment, reappointment or dismissal of accounting firms;
- (XIII)    to consider and approve the external guarantees of the Company that require the approval by the shareholders’ general meetings;
- (XIV)    to consider the acquisition or disposal of material assets or provision of guarantee by the Company within one year with a value exceeding 30% of the latest audited total assets of the Company;
- (XV)     to consider share incentive plans and employee stock ownership plans;
- (XVI)    to resolve on other matters to be resolved thereby as required by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed or these Articles.

**Article 42** The provision of any external guarantee by the Company shall be considered and passed by the Board. The guarantee offered by the Company to a shareholder or de facto controller of the Company shall be approved by the shareholders' general meeting.

When the shareholders' general meeting is considering a proposal to provide guarantees for any shareholder, de facto controller or their connected parties, the said shareholder or the shareholders controlled by the said de facto controller and their connected parties (and the relevant persons stipulated under the listing rules of the place where the shares are listed) shall abstain from voting on the said proposal, and the said proposal shall be subject to approval by no less than half of the voting rights of the other attending shareholders.

If a Director or any senior management violates a provision on the approval authority or approval procedure for the provision of external guarantees as specified in the laws, administrative regulations or these Articles, thereby causing the Company to suffer a loss, he/she shall be liable for damages and the Company may take legal action against him/her in accordance with laws.

**Article 43** Unless the Company is in a crisis and other special circumstances, without the prior approval of the shareholders' general meeting, the Company shall not enter into any contract with any party (other than a Director, Supervisor and senior management) regarding the transfer of the management of all or any major part of the Company's businesses to such party.

**Article 44** Shareholders' general meetings are classified into annual shareholders' general meetings and extraordinary shareholders' general meetings. The annual shareholders' general meetings shall be convened once a year and shall be held within 6 months from the end of the previous fiscal year.

The extraordinary shareholders' general meetings shall be convened as and when necessary. The Company shall convene an extraordinary shareholders' general meeting within two months from the actual occurrence of any of the following circumstances:

- (I) when the number of Directors is less than the minimum number stipulated in the Company Law or two-thirds of the number required in these Articles;
- (II) when the unrecovered losses of the Company amount to one-third of the total amount of its paid-in share capital;
- (III) where any shareholder(s) holding individually or collectively 10% (excluding voting proxy) or more of the Company's shares carrying voting rights request(s) in writing for the convening of an extraordinary shareholders' general meeting;
- (IV) when deemed necessary by the Board or when requested by the Board of Supervisors;
- (V) other situations stipulated in laws, administrative regulations, departmental rules, listing rules of the stock exchange of the place where the Company's shares are listed or these Articles.

**Article 45** The shareholders' general meeting shall be held on-site or online. The Company shall provide online form or other means for the convenience of shareholders to attend the shareholders' general meeting. Shareholders attending the shareholders' general meeting in the above manner shall be deemed as present.

### **SECTION 3 CONVENING OF THE SHAREHOLDERS' GENERAL MEETING**

**Article 46** Independent directors shall have the right to propose to the Board of Directors to convene an extraordinary general meeting and such proposal shall be made to the Board of Directors in writing. The Board shall, in accordance with the laws, administrative regulations and these Articles, furnish a written reply on whether to convene the extraordinary general meeting within 10 days upon receipt of the proposal. If the Board agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days upon the passing of the Board resolution. If the Board does not agree to convene the extraordinary general meeting, it shall explain the reasons and make an announcement.

**Article 47** The Board of Supervisors shall have the right to propose to the Board of Directors to convene an extraordinary general meeting and such proposal shall be made to the Board of Directors in writing. The Board of Directors shall, in accordance with the laws, administrative regulations and these Articles, furnish a written reply on whether to convene the extraordinary general meeting within 10 days upon receipt of the proposal.

If the Board of Directors agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days upon the passing of the Board resolution. Any changes to the original proposal made in the notice shall be approved by the Board of Supervisors.

If the Board of Directors does not agree to convene the extraordinary general meeting or fails to furnish a reply within 10 days upon receipt of such proposal, the Board of Directors shall be deemed to be unable or fail to perform the duty of convening the shareholders' general meeting, and the Board of Supervisors may convene and preside over the meeting on its own.

**Article 48** Shareholders individually or jointly holding 10% or more of the Company's shares shall have the right to request the Board of Directors to convene an extraordinary general meeting, and such request shall be made in writing to the Board of Directors. The Board of Directors shall, in accordance with the laws, administrative regulations and these Articles, furnish a written reply on whether to convene the extraordinary general meeting within 10 days upon receipt of such request.

If the Board of Directors agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days upon the passing of the Board resolution. Any changes to the original request made in the notice shall be approved by the relevant shareholders.

If the Board of Directors does not agree to convene the extraordinary general meeting or fails to furnish a reply within 10 days upon receipt of such request, the shareholders individually or jointly holding 10% or more of the shares of the Company shall have the right to request the Board of Supervisors to convene an extraordinary general meeting, and such request shall be made in writing.

If the Board of Supervisors agrees to convene the extraordinary general meeting, it shall issue a notice of general meeting within five days upon receipt of the request. Any changes to the original request in the notice shall be approved by the relevant shareholders.

If the Board of Supervisors fails to issue the notice of the general meeting within the prescribed period, it shall be deemed that the Board of Supervisors does not convene and preside over the shareholders' general meeting, and shareholders individually or jointly holding 10% or more of the shares of the Company with voting rights at the proposed meeting may convene and preside over the meeting on their own.

**Article 49** If the Board of Supervisors or shareholders decide to convene a shareholders' general meeting on their own, they shall notify the Board of Directors in writing and at the same time make a filing with the stock exchange.

The shareholding of the convening shareholders shall not be less than 10% before the announcement of the resolutions of the shareholders' general meeting.

The Board of Supervisors or the convening shareholders shall submit relevant supporting documents to the stock exchange where the shares of the Company are listed when issuing the notice of the shareholders' general meeting and announcing the resolutions of the shareholders' general meeting.

**Article 50** The Board of Directors and the secretary to the Board of Directors shall cooperate with the Board of Supervisors or the shareholders to convene the shareholders' general meeting upon receipt of the notice. The Board of Directors shall provide the register of shareholders on the shareholding registration date.

**Article 51** All reasonable expenses incurred for the shareholders' general meeting convened by the Board of Supervisors or shareholders on their own shall be borne by the Company.

#### **SECTION 4 PROPOSALS AND NOTICES OF THE SHAREHOLDERS' GENERAL MEETING**

**Article 52** The contents of the proposals shall fall within the terms of reference of the general meeting, have clear topics and specific resolutions, and comply with the relevant provisions of laws, administrative regulations and these Articles.

**Article 53** When the Company convenes a shareholders' general meeting, the Board of Directors, Board of Supervisors and shareholders individually or jointly holding 3% or more of the total voting shares of the Company are entitled to propose resolutions in writing to the Company.

Shareholders individually or jointly holding 3% or more of the shares of the Company are entitled to propose new resolutions in writing to the Company and submit them to the convener 10 days before the meeting. The convener of the shareholders' general meeting shall issue a supplementary notice of the shareholders' general meeting within 2 days upon the receipt of such proposal and announce the contents of the interim proposals.

Except as provided in the preceding paragraph, the convener shall not amend the proposals set out in the notice of the shareholders' general meeting or add new proposals after issuing the notice of the shareholders' general meeting.

Proposals not set out in the notice of the shareholders' general meeting or not in compliance with Article 52 shall not be voted on or resolved at the shareholders' general meeting.

**Article 54** Where the Company convenes an annual general meeting, the convener shall notify each of the shareholders in writing and through an announcement of the time and venue of the meeting and matters to be deliberated 21 days before the meeting; in the case of an extraordinary general meeting, the convener shall notify each of the shareholders by way of an announcement 15 days prior to the meeting.

The announcement referred to in the preceding paragraph shall be published in the designated media bodies 21 days (annual general meeting) or 15 days (extraordinary general meeting) prior to the date of the meeting. Once the announcement has been published, all holders of domestic shares shall be deemed to have received notice of such meeting.

Notices of shareholders' general meetings given to the H Shareholders may be published on the website designated by the Hong Kong Stock Exchange and the website of the Company. Upon the publication of the announcement, all holders of overseas listed foreign shares shall be deemed to have received the notice of such meeting.

**Article 55** The notice of a shareholders' general meeting shall:

- (I) specify the time, venue and date of the meeting;
- (II) set out the matters and proposals to be considered at the meeting;
- (III) contain conspicuously a statement that all shareholders have the right to attend the shareholders' general meeting, and may appoint a proxy in writing, who need not be a shareholder, to attend and vote on his/her behalf;
- (IV) specify the shareholding registration date of the shareholders entitled to attend the shareholders' general meeting;
- (V) contain the name and telephone number of permanent contact persons for the affairs of the meeting;
- (VI) specify the time and procedures of voting.

**Article 56** Where the shareholders' general meeting proposes to discuss the election of Directors and Supervisors, the notice relating to the shareholders' general meeting shall fully disclose the detailed information of the candidates for Directors and Supervisors, which shall at least include the following:

- (I) personal particulars such as educational background, work experience and part-time jobs;
- (II) whether there is any connected relationship with the Company or its controlling shareholders and de facto controller;
- (III) the number of shares held in the Company.

Each candidate for Director or Supervisor shall be proposed in a separate proposal.

**Article 57** After issuance of the notice for shareholders' general meeting, the shareholders' general meeting shall not be postponed or cancelled without proper reasons and the proposals specified in the notice shall not be withdrawn. In case of delay or cancellation, the convener shall notify each shareholder and give reasons at least 2 working days prior to the date on which the meeting is originally scheduled.

## **SECTION 5 HOLDING OF THE SHAREHOLDERS' GENERAL MEETING**

**Article 58** The Board and other conveners of the Company shall take necessary measures to ensure the normal order of the shareholders' general meeting. Measures shall be taken to stop acts that interfere with the shareholders' general meeting, provoke troubles and infringe the legitimate rights and interests of shareholders, and report to relevant authorities for investigation and punishment in a timely manner.

**Article 59** All shareholders registered on the shareholding registration date or their proxies are entitled to attend and speak at the shareholders' general meeting, and exercise voting rights in accordance with the relevant laws, regulations and these Articles (unless an individual shareholder is required by the SEHK Listing Rules to abstain from voting on a particular matter).

Shareholders may attend a shareholders' general meeting in person, or may entrust other persons as their proxies to attend and vote on his/her behalf.

**Article 60** The Company has the right to require individual shareholders attending the meeting in person to present their identity cards or other valid documents or proof of their identities as well as stock account cards; or to require the relevant persons entrusted by others to attend the meeting to present their valid identity cards and the power of attorney of the shareholders.

A corporate shareholder shall attend the meeting by its legal representative or a proxy appointed by the legal representative (except for a shareholder who is a recognised clearing house as defined by relevant ordinances of Hong Kong laws in force from time to time). The Company shall have the right to require the legal representative attending the meeting to present his/her identity card and valid certificate that can prove his/her qualification as a legal representative; if a proxy is appointed to attend the meeting, the Company shall have the right to require the proxy to present his/her identity card and a written power of attorney duly issued by the legal representative of the corporate shareholder.

A clearing house shall have the right to appoint one or more proxy(ies) or corporate representative(s) to attend shareholders' general meetings and creditors' meetings of the issuer and such proxy(ies) or corporate representative(s) shall have the same statutory rights as other shareholders, including the right to speak and vote.

**Article 61** Any shareholder entitled to attend and vote at a shareholders' general meeting shall be entitled to appoint one or more persons (whether a shareholder or not) as his/her proxy to attend and vote on his/her behalf. If the member is a corporation, it may appoint a representative to attend and vote at any shareholders' general meeting of the issuer, and if such corporation is so represented, it shall be treated as being present at any meeting in person. A form of proxy may be signed by a duly authorized person of the shareholder. According to the appointment of the shareholder, a proxy so appointed shall:

- (I) have the same right as the shareholder to speak at the meeting;
- (II) have the right to individually or jointly demand a poll;
- (III) have the right to vote by hand or on a poll, but when more than 1 proxy has been appointed, the proxies only have the right to vote on a poll.

**Article 62** The power of attorney issued by a shareholder to appoint a proxy to attend a shareholders' general meeting shall contain the following:

- (I) the name of the appointer and the name of the proxy;
- (II) the number of shares of the appointer represented by the proxy;



- (III) the right to vote;
- (IV) the instructions to vote for or against or abstain from voting on each matter to be considered at the shareholders' general meeting;
- (V) the date and validity period of the power of attorney;
- (VI) signature (or seal) of the appointer.

**Article 63** The proxy form appointing a voting proxy shall be placed at the domicile of the Company or at such other place as specified in the notice of the meeting within 24 hours prior to the meeting at which the proxy is authorized to vote or 24 hours prior to the specified time of the voting. Where the proxy form is signed by another person as authorized by the appointer, the power of attorney or other authorization document shall be notarized. The notarized power of attorney or other authorization document shall be placed together with the proxy form appointing the voting proxy at the domicile of the Company or at such other place as specified in the notice of the meeting.

Where the appointer is a legal person, its legal representative or a person authorized by the Board or other decision-making body shall be entitled to attend the shareholders' general meeting of the Company as the representative of such legal person.

Where the said shareholder is a recognized clearing house (or its agent) as defined in the relevant ordinance enacted from time to time in Hong Kong, the shareholder may authorize one or more person(s) as it thinks fit to act as its representative(s) at any shareholders' general meeting provided that, if one or more person(s) is/are so authorized, the power of attorney shall clearly state the number and class of shares for which each person is so authorized and shall be signed by the authorized persons appointed by the recognized clearing house. The persons so authorized may represent the recognized clearing house (or its agent) to exercise the rights at any meeting (without being required to present a share certificate, notarized power of attorney and/or further evidence of due authorization), as if such person were an individual shareholder of the Company.

**Article 64** Any proxy form issued to a shareholder by the Board of the Company for the purpose of appointing a proxy of the shareholder shall be in such form which enables the shareholder, according to his/her free will, to instruct his/her proxy to vote in favour of or against the resolutions proposed and in respect of each individual matter to be voted on at the meeting. Such a proxy form shall contain a statement that in the absence of instructions by the shareholder, his/her proxy may vote as he/she thinks fit.

**Article 65** Where the appointer has deceased, incapacitated to act, withdrawn the appointment or the power of attorney, or where the relevant shares have been transferred prior to the voting, a vote given by the proxy in accordance with the power of attorney shall remain valid provided that no written notice of such event has been received by the Company prior to the commencement of the relevant meeting.

**Article 66** The attendance records of the meeting shall be prepared by the Company.

**Article 67** The convener shall jointly verify the validity of the shareholders' qualifications based on the register of shareholders provided by the securities registration and clearing institution, and shall register the names of the shareholders and the number of their voting shares held. The registration for the meeting shall be completed before the chairman of the meeting announces the total number of voting shares held by shareholders and proxies attending the meeting on-site.



**Article 68** When a shareholders' general meeting is held, all Directors, Supervisors and the secretary to the Board of the Company shall attend such meeting. The general manager and other senior management shall be present at the meeting, and shall not be absent unless there is a proper reason.

**Article 69** A shareholders' general meeting convened by the Board of Directors itself shall be chaired and presided over by the chairman of the Board of Directors. Where the chairman of the Board of Directors is unable or fails to fulfill the duties thereof, a Director elected by no less than half of the Directors shall chair and preside over the meeting.

A shareholders' general meeting convened by the Board of Supervisors itself 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 fulfill the duties thereof, a Supervisor elected by no less than half of the Supervisors shall chair the meeting.

A shareholders' general meeting convened by the shareholders themselves shall be chaired by a representative elected by the convening shareholders.

Where a shareholders' general meeting is held and the chairman of the meeting violates the rules of procedure which makes it difficult for the shareholders' general meeting to continue, a person may be elected at the shareholders' general meeting to act as the chairman and preside over the meeting so as to carry on with the shareholders' general meeting, subject to the approval of no less than half of the attending shareholders having the voting rights. If no chairman of the meeting is elected by shareholders for any reason, the shareholder present at the meeting holding the largest number of voting shares (including his/her proxy) shall chair and preside over such meeting.

**Article 70** The Company shall formulate rules of procedure for the shareholders' general meeting to specify in detail the convening and voting procedures of the shareholders' general meeting, including the notices, registration, consideration of proposals, voting, counting of votes, announcement of voting results, formation of resolutions, meeting minutes and signing thereof and announcement, as well as the principle of authorization by the shareholders' general meeting to the Board. The contents of authorization shall be clear and specific. The rules of procedure of the shareholders' general meeting shall be formulated by the Board and approved by the shareholders' general meeting.

**Article 71** Directors, Supervisors and senior management shall provide explanations on the inquiries and suggestions made by shareholders at the shareholders' general meeting.

**Article 72** The presider of the meeting shall, prior to voting, announce the total number of voting shares held by the shareholders and their proxies attending the meeting on-site. The total number of voting shares held by the shareholders and their proxies attending the meeting on-site shall be subject to the registration of the meeting.

**Article 73** Minutes of the shareholders' general meetings shall be recorded by the secretary to the Board.

**Article 74** The minutes shall contain the following:

- (I) the time, place and agenda of the meeting and the name of the convener;
- (II) the names of the chairman of the meeting and the Directors, Supervisors, general manager and other senior management present at the meeting;
- (III) the total number of voting shares held by the shareholders and proxies present at the meeting and the proportion of such shares to the total number of shares of the Company;

- (IV) the consideration process, key points of speech and voting results of each proposal;
- (V) the shareholders' inquiries or suggestions and corresponding replies or explanations;
- (VI) the name of vote counters and scrutineers;
- (VII) other contents that shall be recorded in the meeting minutes as required by these Articles.

**Article 75** The convener shall ensure that the minutes are true, accurate and complete. The attending Directors, Supervisors, secretary to the Board, convener or his/her representative and the chairman of the meeting shall sign the minutes of the meeting. The minutes of the meeting shall be kept together with the signature book of the attending shareholders, the power of attorney of the proxies and the valid information of voting via Internet or by other means for a period of not less than 10 years.

**Article 76** The convener shall ensure that the shareholders' general meeting is held continuously until a final resolution is reached. If the shareholders' general meeting is suspended or no resolution can be made due to force majeure or other special reasons, necessary measures shall be taken to resume the shareholders' general meeting as soon as possible or terminate the shareholders' general meeting directly, and an announcement shall be made in a timely manner.

## **SECTION 6 VOTING AND RESOLUTIONS OF THE SHAREHOLDERS' GENERAL MEETING**

**Article 77** The resolutions of the shareholders' general meeting shall be classified as ordinary resolutions and special resolutions.

Ordinary resolutions at a shareholders' general meeting shall be passed by no less than one half of the voting shares held by shareholders (including their proxies) attending the meeting.

Special resolutions at a general meeting shall be passed by no less than two-thirds of the voting rights held by shareholders (including their proxies) attending the general meeting.

**Article 78** The following matters shall be approved by ordinary resolutions at a shareholders' general meeting:

- (I) work reports of the Board and the Board of Supervisors;
- (II) profit distribution plans and loss recovery plans formulated by the Board;
- (III) appointment and dismissal of the members of the Board of Directors and the Board of Supervisors (excluding employee representative Supervisors), their remunerations and the method of payment thereof;
- (IV) annual financial budgets, final accounts, balance sheets, income statements and other financial statements of the Company;
- (V) matters other than those stipulated by laws, administrative regulations or these Articles to be approved by special resolutions.

**Article 79** The following matters shall be approved by special resolutions at a shareholders' general meeting:

- (I) increase or reduction in registered capital of the Company and the issue of any class of shares, warrants and other similar securities;
- (II) issue of corporate bonds of the Company;
- (III) division, spin-off, merger, dissolution, liquidation or changes in the form of the Company;
- (IV) amendment to these Articles;
- (V) any other matter specified in the laws, regulations, securities regulatory rules of the place where the shares of the Company are listed or these Articles, and confirmed by an ordinary resolution at a shareholders' general meeting that it may have a material impact on the Company and accordingly shall be approved by special resolutions.

**Article 80** Shareholders (including proxies thereof) who vote at a shareholders' general meeting shall exercise their voting rights in proportion to the amount of voting shares they represent. Each share carries the right to one vote. When a poll is taken, the shareholders (including proxies thereof) who have the right to two or more votes need not cast all his/her votes in the same way. However, the Company has no voting right for the shares it holds, and such part of shares shall be excluded from the total number of voting shares represented by the shareholders attending the shareholders' general meeting.

Where any shareholder is required to waive his/her voting rights or is restricted to cast only affirmative or dissenting votes on a certain issue in accordance with applicable laws and regulations and the SEHK Listing Rules, any vote cast by the said shareholder or the proxy thereof in violation of the relevant provisions or restrictions shall not be counted into the voting results.

**Article 81** When a connected transaction is considered at a shareholders' general meeting, the connected shareholders shall not vote, and the number of voting shares represented by them shall not be counted in the total number of valid votes. The resolutions of the shareholders' general meeting shall fully disclose the voting of non-connected shareholders.

**Article 82** The shareholders' general meeting shall vote on all proposals one by one. If there are different proposals for the same matter, voting shall be proceeded in the chronological order of the proposals being put forward. Other than special reasons such as force majeure that results in the interruption of the meeting or makes it impossible to come to a resolution, the shareholders' general meeting shall not set aside any proposal and shall vote on them.

**Article 83** Voting at a shareholders' general meeting shall be taken by open ballot or other means as required by the SEHK Listing Rules.

**Article 84** A voting right shall be exercised only by one voting method including on-the-spot voting. If a voting right is exercised repeatedly, only the first exercise of the voting right is recognized.

**Article 85** Shareholders who attend the shareholders' general meeting shall take one of the following stances when a resolution is put forward for voting: for, against or abstention. Any unfilled, improperly filled or poorly handwritten votes or votes that are not cast shall be considered as abstentions from voting by the shareholders. Its respective shares shall be counted as "abstentions" in the voting results.

**Article 86** The resolutions of the shareholders' general meeting shall be announced in a timely manner. The announcement shall specify the total number of voting shares held by the attending shareholders and their proxies and the percentage of the total number of voting shares of the Company, the voting methods, the voting results of each proposal and the details of each resolution passed.

**Article 87** Shareholders may have access to copies of the meeting minutes free of charge during the office hours of the Company. If any shareholder asks for copies of such minutes, the Company shall send out the said copies within 7 days after verifying the shareholder's identity and receiving reasonable expenses.

## **CHAPTER 5 BOARD OF DIRECTORS**

### **SECTION 1 DIRECTORS**

**Article 88** Directors of the Company shall be natural persons. A person shall not serve as a Director if:

- (I) he/she has no capacity or has limited capacity for civil conduct;
- (II) he/she has been sentenced to any criminal penalty due to an offence of corruption, bribery, encroachment of property, misappropriation of property or disrupting the economic order of the socialist market and 5 years have not elapsed since the completion date of the execution of the penalty; or he/she has ever been deprived of his/her political rights due to any crime and 5 years have not elapsed since the completion date of the execution of the penalty;
- (III) he/she was the Director, factory manager or manager of a company or enterprise which had been bankrupted and liquidated, and was personally liable for the bankruptcy of the company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;
- (IV) he/she was the legal representative of a company or enterprise which had its business license revoked and was ordered to close down due to illegal activities and was personally liable for such illegal activities, where less than three years have elapsed since the date when the business license of the company or enterprise was revoked;
- (V) he/she has a relatively large amount of overdue debt;

- (VI) he/she is banned by the CSRC from entering into the securities market for a period which has not yet expired;
- (VII) other circumstances as stipulated by the laws, administrative regulations, departmental rules, the listing rules of the stock exchange at the place where the Company's shares are listed or relevant regulatory authorities.

For any election and appointment of a director in contravention of the provisions prescribed by this article, such election, appointment or employment shall be void and null. Where a Director falls into any of the circumstances stipulated in this article in his/her term of office, the Director shall be removed from office.

**Article 89** Directors shall be elected or replaced at shareholders' general meetings, and can be removed from their office prior to the expiry of their term at the general meeting by an ordinary resolution. Directors' term shall be three years. At the expiry of such term of office, the term is renewable upon re-election.

The term of a Director shall start from the date on which the said Director assumes office until the expiry of the term of the prevailing session of the Board. If the term of office of a Director has expired but re-election is not timely made, or a Director has resigned within his/her term of office, resulting in the number of members of the Board falling short of the quorum, such Director shall continue to perform his/her duties as Director pursuant to laws, administrative regulations, departmental rules, the listing rules of the stock exchange at the place where the Company's shares are listed and these Articles until a newly elected Director takes office.

A Director may serve concurrently as the general manager or other senior management, but the Directors serving concurrently as such and the Directors being employees' representatives shall not be more than half of the Directors of the Company.

**Article 90** Directors shall abide by the laws, administrative regulations and these Articles, and shall fulfil the following obligations of honesty to the Company:

- (I) shall not abuse his/her position to accept bribes or other illegal income or misappropriate the properties of the Company;
- (II) shall not misappropriate the funds of the Company;
- (III) shall not set up accounts in his/her own name or in the name of any other person for the purpose of depositing any of the assets or funds of the Company;
- (IV) shall not lend funds of the Company to any other person or use the property of the Company to provide guarantee for any other person without the consent of the general meeting or the Board of Directors in contravention of the provisions of these Articles;
- (V) shall not enter into contracts or carry out transactions with the Company in contravention of the provisions of these Articles or without the consent of the general meeting;

- (VI) shall not abuse his/her position to seize business opportunities for himself/herself or for other persons which should otherwise belong to the Company, or operate a business similar to that of the Company for himself/herself or for other persons without the consent of the general meeting;
- (VII) shall not accept commissions paid by others for transactions conducted with the Company as their own benefits;
- (VIII) shall not disclose confidential information of the Company without permission;
- (IX) shall not abuse his/her connected relationship with the Company to jeopardize the interests of the Company;
- (X) other obligations of honesty as required by the laws, administrative regulations, departmental rules and these Articles.

Any income derived by a Director in violation of the provisions of this article shall belong to the Company. The Director shall be liable to indemnify the Company against any loss incurred.

**Article 91** Directors shall comply with the laws, administrative regulations and these Articles, and shall bear the following obligations of diligence to the Company:

- (I) shall exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the State's laws, administrative regulations and requirements of the State's economic policies, not exceeding the scope of business specified in the Company's business license;
- (II) that all shareholders shall be treated impartially;
- (III) master the operation and management conditions of the Company in due time;
- (IV) sign the written confirmation opinions for the regular reports of the Company, to ensure that the information disclosed by the Company is true, accurate and complete;
- (V) they shall honestly provide the Board of Supervisors with relevant information, and not to interfere with the Board of Supervisors or Supervisors in performing their duties and powers;
- (VI) they fulfil other due diligence obligations as stipulated by the laws, administrative regulations, departmental rules and these Articles.

**Article 92** If any Director fails to attend Board meetings in person or by proxy for 2 consecutive times, the said Director shall be deemed incapable of performing his/her duties, and the Board shall suggest that the shareholders' general meeting dismiss the said Director.

**Article 93** A Director may resign before the expiration of his term of office. The resigning Director shall submit a written resignation to the Board of Directors.

In the event that the resignation of any Director results in the number of members of the Board of Directors to be less than the statutory minimum requirement, the said Director shall continue to perform duties as Director pursuant to the laws, administrative regulations, departmental rules and these Articles until a new Director is elected and assumes his/her office.



Save for the circumstances set out in the preceding paragraph, the resignation of a Director shall become effective upon submission of his resignation to the Board of Directors.

Subject to the relevant laws and regulations, and the regulatory rules of the place where the Company's shares are listed, any person appointed by the Board of Directors to fill a casual vacancy on the Board of Directors or as an addition to the Board of Directors shall hold office only until the first annual general meeting after his/her appointment and shall then be eligible for reelection.

**Article 94** If the resignation of a Director takes effect or his/her term of office expires, the said Director shall go through all handover formalities with the Board of Directors. His/her obligations of honesty to the Company shall not terminate automatically at the expiry of his/her term and shall still be valid within the reasonable period specified in these Articles.

**Article 95** The Company shall have independent non-executive Directors. Except as otherwise provided in this section, the provisions on the qualifications and obligations of Directors in Chapter 5 of these Articles shall apply to independent non-executive Directors.

Independent non-executive Directors shall be equipped with adequate business or professional experience for competency, honestly fulfil their duties, and protect the interests of the Company, in particular the legitimate rights and interests of public shareholders, to ensure the sufficient representation of the interests of all shareholders.

**Article 96** If any Director leaves his/her office without authorization or violates the laws, administrative regulations, departmental rules or these Articles in fulfilling his/her duties before his/her term of office expires, thereby incurring any loss to the Company, the said Director shall be liable for compensation.

**Article 97** Save as specified in these Articles or duly authorized by the Board, no Director shall act on behalf of the Company or the Board in his/her own name. If a Director acts in his/her own name but a third party may reasonably think the said Director is acting on behalf of the Company or the Board, the said Director shall make a prior statement of his/her standpoint and capacity.

## **SECTION 2 BOARD OF DIRECTORS**

**Article 98** The Company shall have a Board of Directors, which shall be accountable to the shareholders' general meeting. The Board of Directors shall comprise 13 Directors. The Board shall have one chairman. The chairman shall be appointed and could be removed by a majority of all members of the Board. The chairman shall serve a term of 3 years, renewable upon re-election.

The number of independent non-executive Directors, at any time, shall not be less than 3 and represent no less than one-third of members of the Board, and at least one of the independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise. An independent non-executive Director shall serve a term of 3 years, renewable upon re-election. The maximum consecutive term of office of the independent non-executive Directors shall be determined in accordance with the relevant laws, regulations and the listing rules of the stock exchange on which the Company's shares are listed.

Directors need not hold shares of the Company.



**Article 99** The Board shall exercise the following functions and powers:

- (I) to convene the shareholders' general meeting, and report its work to the shareholders' general meeting;
- (II) to implement the resolutions passed at the shareholders' general meeting;
- (III) to determine the business plans and investment plans of the Company;
- (IV) to prepare the annual financial budget and final accounts of the Company;
- (V) to prepare the plans for profit distribution and plans for making up losses of the Company;
- (VI) to formulate plans in respect of any increase or reduction of the Company's registered capital and the plans for the issue of corporate bonds or other securities, and for listing;
- (VII) to formulate plans for material acquisition, repurchase of the Company's shares, or merger, division, dissolution, and change of corporate form of the Company;
- (VIII) matters such as external investments, acquisitions and disposals of assets, asset mortgages, external guarantees, consigned financial management, connected transactions, and external donations and gifts approved by the shareholders' general meeting shall be submitted only after being deliberated and approved by the Board of Directors;
- (IX) to determine the establishment of the internal management structure of the Company;
- (X) to determine the establishment of special committees of the Board of Directors and to consider and approve the proposals proposed by each special committee of the Board of Directors;
- (XI) to determine the appointment or dismissal of the general manager, the secretary to the Board of the Company and other senior management, and determine their remunerations, rewards and punishments; and according to the nomination by the general manager, to determine the appointment or dismissal of other senior management such as the deputy general manager and the chief financial officer of the Company, and determine their remunerations, rewards and punishments;
- (XII) to establish the basic management system of the Company;
- (XIII) to draw up proposals for the amendment to these Articles;
- (XIV) to manage the matters of information disclosure of the Company;
- (XV) to propose at the shareholders' general meetings the appointment or changes of accounting firm;

- (XVI) to be informed of working reports of the senior management of the Company and to examine the work of the senior management of the Company;
- (XVII) to exercise other functions and powers conferred by the laws, administrative regulations, department rules, securities regulatory rules of the place where the Company's shares are listed or these Articles.

Matters beyond the authorization of the general meeting shall be submitted at the general meeting for deliberation.

**Article 100** The Board of Directors of the Company should provide an explanation to the general meeting in respect of any non-standard audit opinions issued by the certified public accountant on the financial statements of the Company.

**Article 101** The Board of Directors shall formulate the rules of procedures for meetings of the Board of Directors to ensure implementation of the resolutions of the general meeting, improve the efficiency of work and ensure scientific decision-making.

**Article 102** The chairman of the Board shall exercise the following functions and powers:

- (I) to preside over shareholders' general meetings and to convene and preside over Board meetings;
- (II) to examine the implementation of the resolutions of the Board;
- (III) to exercise other functions and powers specified in laws, administrative regulations, departmental rules, these Articles or granted by the Board resolutions.

Where the chairman is unable to or fails to perform his/her duty, no less than half of the Directors shall jointly elect a Director to fulfil the said duty.

**Article 103** The Board shall hold at least 4 regular meetings a year and any such meeting shall be convened by the chairman. Written notice shall be given to all Directors and Supervisors at least 14 days before the meeting is held.

In any of the following circumstances, the chairman shall convene an extraordinary Board meeting within 10 days after receipt of the proposal:

- (I) proposed by shareholders representing no less than one-tenth of the voting rights;
- (II) proposed by no less than one third of the Directors jointly;
- (III) proposed by the Board of Supervisors.

**Article 104** A notice of a Board meeting shall be sent to all the Directors and Supervisors 14 days in advance in the event of a regular meeting or 5 days in advance in the event of an extraordinary meeting. The responsible department of the Company shall send a written meeting notice of the meeting to all the Directors and Supervisors by direct delivery, fax, mail, express mail or other electronic communication means. If the notice is sent indirectly, confirmation shall be made by telephone and the appropriate record thereof shall be made.

Where an extraordinary Board meeting needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means at any time, but the convener shall make explanations at the meeting.

**Article 105** The notice of the meeting of the Board shall consist of the following:

- (I) date and venue of the meeting;
- (II) period of the meeting;
- (III) causes and issues of discussion;
- (IV) date of issuance of notice;
- (V) other essential contents as stipulated by the laws, regulations and securities regulatory rules of the place(s) where the Company's shares are listed.

**Article 106** Notice of meeting shall be deemed to have been sent to any Director who attends the meeting without raising any objection before or during the meeting that he/she has not received the notice of meeting.

Regular or extraordinary Board meetings may be convened in the form of teleconference or with the help of other communications equipment provided that the attending Directors are able to hear clearly the Directors who speak at the meetings and communicate amongst themselves. All the attending Directors shall be deemed as having attended the meeting in person.

**Article 107** A Board meeting shall be held upon the attendance of more than half of Directors.

Unless under exceptional circumstances specified in the regulatory rules of the place where the shares of the Company are listed or otherwise permitted by the Hong Kong Stock Exchange, a Director shall not vote on any resolution of the Board which approves any contract or arrangement or any other relevant proposals where he/she or his/her close associates (as defined in the SEHK Listing Rules as applicable from time to time) own a material interest; and shall not be included for determining whether there is a quorum for the meeting.

Every Director shall have the right to one vote. Save as otherwise specified in laws, administrative regulations or these Articles, resolutions made by the Board shall be passed by more than half of all Directors.

If any Director is connected with the enterprises that are involved in the matters to be resolved by the Board meetings, he/she shall not exercise his/her voting rights for such matters, nor exercise voting rights on behalf of other Directors. Such Board meetings may not be held unless attended by more than half of all the non-connected Directors, and resolutions at such meetings shall be passed by more than half of all non-connected Directors. Where the number of non-connected Directors attending the Board meetings is less than 3, the matters shall be submitted to the shareholders' general meeting for deliberation.

When the number of votes cast for and against a resolution equals, the chairman shall have a casting vote.

**Article 108** Resolutions of the Board meetings shall be voted by way of open ballot or other voting method as permitted by the laws and regulations and the regulatory rules at the place where the shares of the Company are listed.

**Article 109** Upon approval by the convener or chairman, an extraordinary Board meeting may be convened and resolutions may be adopted at the meeting via video, telephone or written communication, provided that Directors are able to fully express their opinions, and the resolution adopted at the meeting shall be signed by the attending Directors. Board meetings may also be convened on-site and by other means simultaneously. So long as the Directors attending the meeting in person can clearly hear what he or she says and communicate with him or her, all the Directors in attendance shall be deemed to have attended the meeting in person.

**Article 110** Directors shall attend Board meetings in person. Where any Director cannot attend the meetings for any reason, he/she may authorize in writing another Director to attend the meetings on his/her behalf, with the power of attorney shall state the name of the proxy, the matters represented, scope of authorization and validity period, and shall be signed or sealed by the principal.

The Director attending the meetings on behalf of another Director shall exercise rights within the scope of authorization. Where a Director is not present at a Board meeting and fails to appoint a proxy to act on his/her behalf, the said Director is deemed to have waived his/her rights to vote at the meeting.

**Article 111** In respect of any important issue to be decided by the Board, a notice and adequate information shall be sent to all the Directors before the deadline specified in these Articles, in strict accordance with the specified procedure. Directors may require providing supplementary information. If no less than one fourth of the Directors or no less than 2 independent non-executive Directors think they cannot make judgments on relevant issues because the data materials are inadequate or for other reasons, they can jointly propose to adjourn the Board meeting or suspend considering some issues at the meeting, and the Board shall approve such proposal.

**Article 112** The Board may adopt a written proposal in lieu of Board meeting, but the draft of the said proposal shall be sent to every Director by direct delivery, mail, fax or e-mail. If the proposal has been sent to all the Directors by the Board, the number of the Directors who have signed the proposal satisfies the statutory quorum, and such signed proposal has been sent to the secretary to the Board by the aforesaid means, the said proposal shall be deemed to be a resolution of the Board and have the same legal effect as a resolution passed at a Board meeting held in accordance with the procedures specified in relevant provisions of these Articles.

**Article 113** The Board shall file resolutions of the meeting as minutes, which shall be signed by the attending Directors and the minutes recorder.

**Article 114** The minutes of Board meetings shall consist of the following:

- (I) the meeting session, and the date, venue and method for the convening of meeting;
- (II) the issue of the notice of the meeting;
- (III) the convener and the chairman of the meeting;
- (IV) the name of the Director present and the name of Director (proxy) being appointed to attend on the other's behalf;
- (V) the agenda of the meeting;
- (VI) the main points of the statements of Directors;
- (VII) the voting method and result for each resolution (the voting results shall clearly state the number of votes for or against the resolution or abstention);
- (VIII) other matters required to be included in the meeting minutes by the Directors present.

The Directors shall be responsible for the resolutions passed at Board meetings. Any Director who votes for a resolution of the Board which runs counter to the laws, administrative regulations or these Articles, thereby causing serious losses to the Company, shall be liable for compensation to the Company; however, a Director who has been proved as having expressed dissenting opinions on the resolution and such opinions are recorded in the minutes of the meeting can be exempt from liability.

### **SECTION 3 SPECIAL COMMITTEES UNDER THE BOARD**

**Article 115** The Board has established four special committees, i.e. the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy Committee, whose composition and rules of procedures are resolved separately by the Board. The Board may establish other special committees as necessary. These special committees are ad hoc committees under the Board which provide advice or advisory opinions for the Board on material decisions. The special committees shall not make any decision in the name of the Board. However, the committees may exercise decision-making power in respect of the authorized matters in accordance with a special authorization given by the Board.

**Article 116** The special committees may engage intermediary organizations to provide independent professional advice, and the relevant expenses therefor shall be borne by the Company.

## CHAPTER 6 SENIOR MANAGEMENT

**Article 117** The Company shall have a secretary to the Board, who shall be a senior management member of the Company.

**Article 118** The secretary to the Board of the Company shall be a natural person with requisite expertise and experience, and shall be nominated by the chairman of the Board and appointed or removed by the Board. His/her major duties are:

- (I) to ensure that the Company has complete organizational documents and records; to keep and manage shareholders' information; to assist the Directors in addressing the routine tasks of the Board, to keep the Directors informed and alerted about any regulations, policies and other requirements of domestic and foreign regulators concerning operations of the Company and to remind and ensure they understand the above matters, to assist the Directors and the general manager observe domestic and foreign laws and regulations as well as these Articles and other relevant regulations in a proper manner when performing their duties and powers;
- (II) to organize and arrange for Board meetings and shareholders' general meetings, prepare meeting materials, handle relevant meeting affairs, keep minutes of the meetings and ensure their accuracy, keep meeting documents and minutes, take the initiative to keep abreast of the implementation of relevant resolutions, and report important issues occurring during the implementation to the Board and give relevant advice to the Board;
- (III) to ensure that the material matters resolved by the Board of the Company to be carried out strictly in accordance with the procedures as stipulated. According to the requirements of the Board, to participate in the consultation and analysis of the matters to be considered by the Board and to offer relevant opinions and suggestions. To handle the day-to-day tasks of the Board and its committees as authorized;
- (IV) as the liaison of the Company with the securities regulatory authorities, to be responsible for organizing, preparing and timely submitting the documents required by the regulatory authorities as well as accepting and organizing the implementation of relevant assignments from the regulatory authorities;
- (V) to be responsible for coordinating and organizing the Company's information disclosure, establishing and improving the information disclosure system, attending all of the Company's meetings involving information disclosure, and keeping informed of the Company's material operation decisions and related information in a timely manner;
- (VI) to be responsible for keeping the Company's sensitive information on share price confidential and to work out effective and practical confidentiality systems and measures. Where there is any leakage of the Company's sensitive information on share price due to any reason, to take necessary remedial measures; to make timely explanation and clarification, and to notify the stock exchange of the place where the Company's shares are listed and the CSRC;

- (VII) to be responsible for coordinating reception of visitors, to keep in touch with news media, to be responsible for coordinating replies to inquiries from the public, to handle the relations with intermediary agencies, regulatory authorities and media, and to report to the CSRC;
- (VIII) to ensure that the register of shareholders of the Company is established appropriately and that the persons who have the right of access to the relevant records and documents of the Company obtain the same in due time;
- (IX) to assist Directors and the general manager in duly complying with the domestic and foreign laws, regulations, these Articles and other requirements in the course of performing their duties, and upon becoming aware that the Company has passed or may pass resolutions which are in breach of the relevant regulations, to be obliged to remind the Board in a timely manner, and to be entitled to report such matter to the CSRC and other regulatory authorities;
- (X) to coordinate the provision of the information necessary for the Board of Supervisors of the Company and other audit agencies to discharge their supervision duties, and to assist in carrying out investigations on the performance of the fiduciary duties by the financial controller, Directors and the general manager of the Company;
- (XI) to exercise other functions and powers as conferred by the Board, as well as other functions and powers as required by the stock exchange of the place where the Company's shares are listed.

**Article 119** A Director or senior management of the Company may serve concurrently as secretary to the Board of the Company. The accountants of the accounting firm appointed by the Company and managers of controlling shareholders shall not serve concurrently as secretary to the Board of the Company.

In the event that a Director serves concurrently as secretary to the Board of the Company, where any act requires to be executed by the Director and the secretary to the Board of the Company separately, the said Director serving concurrently as secretary to the Board of the Company shall not execute the said act in both capacities.

**Article 120** The Company shall have one general manager and several deputy general managers, who shall be appointed or dismissed by the Board. A Director may serve concurrently as a senior management.

**Article 121** The general manager shall serve a term of 3 years, and shall be eligible for re-election and re-appointment upon expiry of his/her term.

**Article 122** The general manager shall be accountable to the Board and exercise the following functions and powers:

- (I) to be in charge of the Company's production, operation and management, to organize and implement the resolutions of the Board and to report his/her work to the Board;
- (II) to organize and implement the Company's annual plan and investment plans;
- (III) to prepare a plan for establishing internal governing bodies of the Company;
- (IV) to draft the Company's basic management system;
- (V) to formulate fundamental rules and regulations for the Company;



- (VI) to propose to the Board to appoint or dismiss the other senior management of the Company in accordance with these Articles and the relevant internal control system of the Company;
- (VII) to decide to appoint or dismiss persons in charge of management and general employees other than those appointed or dismissed by the Board according to these Articles and the Company's relevant internal control system;
- (VIII) to propose to convene an extraordinary Board meeting;
- (IX) to decide on the Company's other issues within the scope authorized by the Board;
- (X) to decide on matters such as external investments, acquisitions and disposals of assets, asset mortgages, external guarantees, consigned financial management, connected transactions, and external donations and gifts which do not need to be decided by the Board or the shareholders' general meeting;
- (XI) to exercise other functions and powers as conferred by these Articles and the Board.

Senior management other than the general manager shall assist the general manager in his/her work, and may exercise part of the functions and powers of the general manager entrusted by him/her.

**Article 123** The general manager shall be present at Board meetings, and if he/she is not a Director, shall not have any voting right at Board meetings.

**Article 124** In the exercise of their functions and powers, the general manager and other senior management shall fulfil the obligation of honesty and diligence in accordance with laws, administrative regulations and these Articles. They shall be liable for any losses incurred as a result of violating the provisions of laws, regulations and these Articles when they perform their duties.

**Article 125** The circumstances set out in Article 88 of the Articles disqualifying a person as Director shall also apply to senior management.

The provisions on Directors' obligations of honesty under Article 90 of the Articles and provisions on Directors' obligations of diligence under item (IV), item (V) and item (VI) of Article 91 shall also apply to senior management.

**Article 126** Staff of the controlling shareholder of the Company who serve administrative positions other than directors and Supervisors shall not serve as senior management of the Company. The senior management members of the Company shall only be entitled to the salaries paid by the Company. The controlling shareholders shall not pay the salaries on behalf of the Company.

**Article 127** Senior management members of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If any senior management member of the Company causes damage to the interests of the Company and its public shareholders due to failure in faithfully performing his/her duties or violation of his/her obligations of honesty, the said senior management member shall be liable to compensate the Company.

## **CHAPTER 7 BOARD OF SUPERVISORS**

### **SECTION 1 SUPERVISORS**

**Article 128** The circumstances set out in Article 88 of the Articles disqualifying a person as Director shall also apply to Supervisors.

Directors and senior management shall not hold the position of Supervisors concurrently.

**Article 129** A Supervisor shall observe the laws, administrative regulations and these Article, bear the obligations of honesty and diligence to the Company, and not to abuse their official powers to accept bribes or other unlawful income, and not to misappropriate the Company's property.

**Article 130** A Supervisor's term shall be three years. At the expiry of such term of office, the term is renewable upon re-election.

**Article 131** If the term of office of a Supervisor has expired but re-election is not timely made, or a Supervisor has resigned within his/her term of office, resulting in the number of members of the Board of Supervisors falling short of the quorum, such Supervisor shall continue to perform his/her duties as Supervisor pursuant to laws, administrative regulations and these Articles until a newly elected Supervisor takes office.

**Article 132** The Supervisors may be present at Board meetings, and make enquiries or suggestions about matters resolved by the Board.

**Article 133** The Supervisors shall not use their connected relationship to prejudice the interests of the Company and shall bear the liability for compensation if losses are caused to the Company.

**Article 134** A Supervisor who violates any laws, administrative regulations, departmental rules or these Articles during the course of performing his/her duties and causes losses to the Company shall be liable for compensation.

### **SECTION 2 BOARD OF SUPERVISORS**

**Article 135** The Company shall have a Board of Supervisors, which shall exercise its supervisory function in accordance with the provisions of the laws, administrative regulations and these Articles.

**Article 136** The Board of Supervisors shall comprise 3 Supervisors, including 1 chairman.

The chairman shall be appointed or removed by the votes of more than half of the members of the Board of Supervisors.

**Article 137** The members of the Board of Supervisors shall include 2 shareholder representatives and 1 employees' representative. Specifically, the election and removal of the shareholders' representative Supervisors shall be decided by shareholders at the shareholders' general meeting, while the employees' representative Supervisors shall be elected and removed by employees of the Company in the employees' congress, the assembly of employees and other democratic ways.

**Article 138** Supervisors serve a term of 3 years. A Supervisor may serve consecutive terms if reelected upon the expiration of his/her term.

If the term of office of a Supervisor has expired but re-election is not timely made, or a Supervisor has resigned within his/her term of office, resulting in the number of members of the Board of Supervisors falling short of the quorum, such Supervisor shall continue to perform his/her duties as Supervisor pursuant to laws, administrative regulations and these Articles until a newly elected Supervisor takes office.

**Article 139** Directors and other senior management of the Company shall not serve as Supervisors concurrently.

**Article 140** The Board of Supervisors shall be accountable to the shareholders' general meeting and exercise the following functions and powers:

- (I) to examine the Company's financial position;
- (II) to supervise the performance by the Directors and senior management when discharging their duties to the Company, and to propose to remove the aforesaid members who violate the laws, administrative regulations, these Articles or the resolution of the shareholders' general meeting;
- (III) to demand rectification from the Directors and senior management where their conducts are detrimental to the interests of the Company;
- (IV) to verify the financial information such as financial reports, business reports and profit distribution plans to be submitted by the Board at the shareholders' general meetings and, should any queries arise, to engage, in the name of the Company, certified public accountants and practicing auditors for a re-examination of the aforesaid information;
- (V) to propose the convening of extraordinary shareholders' general meetings and, in case that the Board does not perform the obligations to convene and preside over the shareholders' general meetings in accordance with the Company Law, to convene and preside over the shareholders' general meetings;
- (VI) to submit proposals to the shareholders' general meeting;
- (VII) to initiate law suits against Directors or the senior management according to the relevant provisions under the Company Law;
- (VIII) to propose to convene an extraordinary Board meeting;
- (IX) to conduct an investigation on any irregularities found in the operation of the Company; professional organizations including accounting firms and law firms may be engaged when necessary, with expenses borne by the Company;
- (X) to elect and replace the chairman of the Board of Supervisors;
- (XI) such other functions and powers as prescribed by the laws, administrative regulations, the listing rules of the stock exchange at the place where the Company's shares are listed and the Articles of Association.

Supervisors shall attend meetings of the Board, and shall raise enquiries or make suggestions on the matters to be resolved by the Board.

**Article 141** Meeting of the Board of Supervisors shall be held at least once every 6 months, and shall be convened and chaired by the chairman of the Board of Supervisors. If the chairman of the Board of Supervisors is unable or fails to perform his/her duties, no less than half of the Supervisors may elect a Supervisor to convene and preside over the meetings of the Board of Supervisors.

Supervisors may propose to convene an extraordinary meeting of the Board of Supervisors.

Where the Board of Supervisors convenes a regular or an extraordinary meeting, staff of the Board of Supervisors shall send a written notice of the meeting to all Supervisors by hand, fax, email or other means within a reasonable period in advance. Where the notice is not sent directly, telephone acknowledgement and relevant records shall be made.

Where an extraordinary meeting of the Board of Supervisors needs to be convened in emergency, the notice of the meeting may be sent by telephone or by other verbal means, but the convener shall make explanations at the meeting.

**Article 142** Matters shall be considered by the Board of Supervisors in the following manners: any voting at the meetings of the Board of Supervisors shall be made on a one-person-one-vote basis by open ballot or in writing.

The voting procedure is that the voting intent of a Supervisor may be for, against or abstention. Every attending Supervisor shall choose one out of the aforesaid intents. Where any Supervisor does not make any option or makes 2 or more options, the chairman of the meeting shall require the said Supervisor to make an option again, otherwise the said Supervisor shall be deemed as having abstained from voting; any Supervisor who has left the meeting midway without coming back and has not made any option shall be deemed as having abstained from voting.

The Board of Supervisors shall file resolutions on matters discussed at the meeting as minutes, which shall be signed by the attending Supervisors. Any Supervisor shall have the right to have an explanatory note made in the minutes regarding his/her speech at the meeting. The minutes of the meeting of the Board of Supervisors shall be kept in the domicile of the Company.

In the case of voting by means of communications, Supervisors shall sign and return by mail the voting instruments containing the written opinions and voting intentions in respect of the matters deliberated by the Board of Supervisors. The Supervisors shall not merely provide voting opinions without expressing their written opinions or reasons for voting. Supervisors who cast votes by means of communications shall submit the signed original copy of the voting paper to the Board of Supervisors within the period stipulated in the notice of the meeting.

The resolutions of the Board of Supervisors shall be passed by over half of the members of the Board of Supervisors by voting.

**Article 143** Supervisors may conduct an investigation if they find any unusual operation of the Company; and if necessary, may engage lawyers, accounting firms and other professionals to assist in their work, with reasonable expenses so incurred borne by the Company.

**Article 144** Supervisors shall honestly fulfil the supervisory duty in accordance with relevant laws, administrative regulations and the Articles of Association.

## **CHAPTER 8 FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT**

### **SECTION 1 FINANCIAL AND ACCOUNTING SYSTEM**

**Article 145** The Company shall formulate its financial and accounting system in accordance with the laws, administrative regulations and the provisions stipulated by the relevant PRC authorities.

**Article 146** The Company shall adopt the Gregorian calendar year for its accounting year, i.e. the accounting year shall be from 1 January to 31 December.

At the end of each accounting year, the Company shall prepare a financial report which shall be audited by accounting firm according to law.

The financial statements of the Company shall be prepared in accordance with PRC accounting standards and regulations as well as the accounting standards of its overseas listing place. If there are any material differences between the financial statements prepared in accordance with the two accounting standards, such differences shall be stated in the notes to the financial statements. When distributing its after-tax profits of the relevant accounting year, the lower of the after-tax profits in the aforesaid financial statements prepared under two standards shall apply.

**Article 147** The Board of the Company shall place before the shareholders at the annual general meeting the financial reports prepared by the Company as required by the relevant laws, administrative regulations and regulatory documents promulgated by local government or regulatory authorities.

**Article 148** The Company shall not set up other account books except for the statutory account books. No assets of the Company may be deposited into any individual's account.

**Article 149** The Company's financial reports shall be made available for shareholders' inspection at the Company 21 days before the date of the annual general meeting. Every shareholder of the Company shall have the right to receive a copy of such financial reports mentioned in this chapter.

The financial report mentioned in the preceding paragraph shall include report of the Directors and the balance sheet (including all other documents to be attached in accordance with the requirements of the PRC laws, other laws, and administrative regulations), the profit and loss statement (the income statement) or the statement of income and expense (the statement of cash flow) or (under the condition of no violation of the PRC laws) summary financial reports approved by the Hong Kong Stock Exchange.

The Company shall deliver such financial report (including every document required by laws to be annexed to the balance sheet) to every holder of its H shares in person or by prepaid mail at the addresses of such shareholders as recorded in the share register no less than 21 days before the date of the annual shareholders' general meetings.

The Company can proceed by way of announcements, including announcements via the Company's website, on condition that such announcements are in compliance with the laws, administrative regulations, departmental rules and the relevant requirements of the securities regulatory authority of the place where the Company's shares are listed.

**Article 150** The Company shall announce two financial reports each accounting year, i.e. interim financial report announced within 60 days after the end of the first 6 months of the accounting year and the annual financial report announced within 120 days after the end of the accounting year.

The interim results or financial data announced or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations as well as the accounting standards of its overseas listing place.

## **SECTION 2 PROFIT DISTRIBUTION**

**Article 151** In distributing the current year's profits after tax, 10% of the profits shall be allocated to the Company's statutory reserve fund. When the aggregate amount of the statutory reserve fund has reached no less than 50% of the Company's registered capital, further appropriations are not required.

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

After allocation of its profits after tax to its statutory reserve fund, the Company may allocate its profits after tax to its discretionary reserve fund upon a resolution of the shareholders' general meeting.

The remaining profits after tax after the Company has made up its losses and allocated to its reserve fund may be distributed to its shareholders in proportion to their shareholdings unless it is stipulated in these Articles that no profit distribution shall be made in accordance with shareholdings.

If a shareholders' general meeting or the Board has, in violation of the preceding paragraph, distributed profits to shareholders before making up losses and allocating to the statutory reserve fund, shareholders shall return to the Company the profits distributed in violation of the provisions.

No profits shall be distributed in respect of the Company's shares held by the Company.

**Article 152** The capital reserve fund shall include the following items:

- (I) the premiums obtained from the issue of shares in excess of the par value;
- (II) other revenues required by the financial authority under the State Council to be included in the capital reserve fund.

The reserve fund of the Company can be applied to the areas where permitted by applicable State laws and regulations, including making up for losses of the Company, expansion of the Company's production and operation or capitalization for capital increase of the Company, but the capital reserve fund shall not be used to make up for losses of the Company.

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



**Article 153** The Company may distribute dividends in the form of (or a combination of both):

- (I) cash;
- (II) shares;
- (III) other means permitted by laws and regulations and the regulatory rules of the place where the Company's shares are listed.

**Article 154** Any amount paid up in advance of calls on any share may carry interest but shall not entitle the relevant shareholder to participate in respect thereof in a dividend subsequently declared.

**Article 155** The Company shall appoint a payment receiving agent for holders of H shares in Hong Kong. The payment receiving agent shall receive on behalf of such shareholders any dividends or other amounts payable by the Company to them in respect of the H shares, and such payment shall be kept by the payment receiving agent on such shareholders' behalf for any payment to them.

The payment receiving agent appointed by the Company shall satisfy the requirements under the laws of the place where the Company's shares are listed or the rules of the relevant stock exchange.

Subject to the relevant laws and regulations of the PRC, and requirements of the Hong Kong Stock Exchange, the Company may exercise its right to confiscate the dividends which are not claimed by anyone, but such right can only be exercised after the expiration of relevant period.

The Company has the power to cease sending dividend warrants by post to a holder of H shares, provided that such power shall not be exercised until such dividend warrants have been so left uncashed on two consecutive occasions. However, the Company may exercise such right when the dividend warrants have failed to be delivered initially and after the dividend warrants have been returned.

In relation to the exercise of right to issue warrants to bearer, no warrant thereof shall be issued to replace the one that has been lost unless the Company is satisfied beyond reasonable doubt that the original warrant thereof has been destroyed. The Company has the right to sell the shares of holders of H shares with whom it loses contact, in a manner as its Board deems appropriate, subject to the following conditions:

- (I) Dividends of such shares have been declared for at least three times within a 12-year period and the dividends have not been claimed by anyone during such period; and
- (II) Upon expiry of the 12-year period, the Company publishes an announcement on one or more newspapers in the place where the Company is listed, stating its intention to sell the shares, and notifies the Hong Kong Stock Exchange of such intention.

**Article 156** The Company shall pay dividends in foreign currencies or RMB in accordance with administrative regulations on foreign exchange and cross-border RMB.

**Article 157** Unless otherwise provided in the relevant laws or administrative regulations, if the cash dividends and other monies are to be paid in Hong Kong dollars, the Company shall adopt the average offer price of the relevant foreign exchange quoted by the People's Bank of China prevailing a calendar week before the date on which the dividends and other monies are declared.

When the Company distributes dividends to shareholders, it shall withhold and pay the tax payables on the dividend income of shareholders based on the amount distributed in accordance with the provisions of Chinese tax laws.

**Article 158** The Board of the Company shall complete the distribution of dividends (or shares) within 2 months after convening a shareholders' general meeting on which resolution is made on the profit distribution plan.

### **SECTION 3 APPOINTMENT OF ACCOUNTING FIRMS**

**Article 159** The Company appoints an accounting firm which is qualified under the relevant provisions of the PRC and the regulatory rules of the place where the Company's shares are listed to audit the Company's annual financial reports, and provide services such as auditing of accounting statements, verification of net assets and other relevant consultation, for a term of one year and subject to renewal after expiration.

**Article 160** Subject to the relevant laws and regulations, and the regulatory rules of the place where the Company's shares are listed, if the position of accounting firm becomes vacant, the Board of Directors may appoint an accounting firm to fill such vacancy before the shareholders' general meeting is held. However, if there are other accounting firms holding the position of accounting firm of the Company while such vacancy still exists, such accounting firms shall continue to act.

Save for the circumstances specified above, the appointment of an accounting firm by the Company must be decided by the shareholders' general meeting. Shareholders may remove or replace the accounting firm through an ordinary resolution at the shareholders' general meeting.

**Article 161** The Company shall provide the hired accounting firm with true and complete accounting vouchers, account books, financial reports and other accounting information, and shall not reject, conceal or make false report of any information.

**Article 162** The audit fee/remuneration of an accounting firm shall be decided by the shareholders' general meeting.

**Article 163** If the Company proposes to remove the accounting firm or not to renew the appointment thereof, it should notify the accounting firm 15 days in advance, and when the dismissal of the accounting firm shall be voted at the shareholders' general meeting of the Company, the accounting firm has the right to state its opinions to the shareholders' general meeting. Where the accounting firm resigns from its office, it shall make clear to the shareholders' general meeting whether there is any impropriety on the part of the Company.

### **CHAPTER 9 NOTICES AND ANNOUNCEMENTS**

**Article 164** Notices of the Company shall be delivered by the following means:

- (I) by delivery in person;

- (II) by post;
- (III) by fax or email;
- (IV) by way of publishing information on websites designated by the Company and the Hong Kong Stock Exchange, subject to the laws, administrative regulations and the listing rules of stock exchange of the place where the Company's shares are listed;
- (V) by way of announcement;
- (VI) by any other means as agreed by the Company and the addressee or as accepted by the addressee after the notice is received;
- (VII) by any other means as approved by relevant regulatory authorities at the places where the Company's shares are listed or as specified in these Articles.

Unless the context otherwise specifies, the "announcement" referred to in these Articles shall mean, in respect of announcements made to the holders of domestic shares or the announcements to be published in the PRC as required by the relevant requirements and these Articles, the publication of an announcement in newspapers or periodicals in the PRC, and such newspapers or periodicals shall have been prescribed under the laws and administrative regulations of the PRC or by the securities regulatory authorities under the State Council. For notices issued by the Company to the holders of H Shares by way of announcement, the Company shall on the same day submit an electronic version to the Hong Kong Stock Exchange through the Hong Kong Stock Exchange electronic publishing system for immediate release on the website of the Hong Kong Stock Exchange in accordance with the local listing rules, or publish an announcement in newspapers (including the publication of an advertisement in newspapers) in accordance with the local listing rules. The announcement shall also be published on the Company's website at the same time. In addition, unless otherwise required in these Articles and subject to relevant requirements of the securities regulatory authorities at the place where the Company's shares are listed, the Company may opt to publish its corporate communication in the form as required in (IV) of first paragraph of this Article in lieu of delivery of written notices, in person or by mail, to every holder of H Shares.

Holders of the Company's H Shares may select electronic version or mail in writing to receive corporate communication that the Company shall send to shareholders, and they can also select to receive Chinese or English version only, or both. Shareholders can give written notice in advance to the Company within reasonable time to revise the method and language version of receiving foregoing information under appropriate procedures.

Shareholders or Directors who want to prove that notices, documents, information or written statements have been served on the Company shall provide evidential materials showing the same has been served on the correct address by ordinary means or by prepaid mail within the designated periods.

Notwithstanding the aforesaid provision which specifies providing and/or delivering written corporate communication to shareholders, for the purpose of the means by which the Company provides and/or delivers its corporate communication to shareholders according to the SEHK Listing Rules, if the Company has obtained shareholders' prior written consent or implied consent according to the relevant laws and regulations and the SEHK Listing Rules as amended from time to time, the Company may deliver or provide corporate communication to its shareholders by electronic means or via publication on its website. Corporate communication includes but is not limited to circulars, annual reports, semi-annual reports, notices of shareholders' general meetings, and other types of corporate communication as specified in the SEHK Listing Rules.

If the Company is authorized to give notice by advertisement, such advertisements may be published in the newspapers and there is no prohibition on giving notice to shareholders with registered addresses outside Hong Kong.

**Article 165** If the notice is delivered by hand, the date of service is the date of acknowledgement of receipt by signature or affixed seal on the service return slip. If the notice is delivered by post, it shall be deemed to be received after 7 working days from the date upon which the post office receives the notice. If the notice is delivered by way of fax or email or by way of publishing information on websites, it shall be deemed to be received on the date it is sent or published. 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 166** In the event that the listing rules of stock exchange of at the place where the Company's shares are listed stipulate that the Company shall send, post, distribute, issue, announce or otherwise provide relevant documents of the Company in English and Chinese, and if the Company has made appropriate arrangement to confirm whether the shareholders intend to receive either the English or the Chinese version, the Company may only send the English version or the Chinese version to the shareholders concerned, as per the intent stated by them, to the extent permitted by these Articles of Association, applicable laws and regulations, and pursuant to applicable laws and regulations.

**Article 167** The accidental omission to give a notice of a meeting to, or non receipt of a notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and any resolution adopted at the meeting.

## **CHAPTER 10 MERGER, DIVISION, CAPITAL INCREASE AND DECREASE, DISSOLUTION AND LIQUIDATION**

### **SECTION 1 MERGER, DIVISION, CAPITAL INCREASE AND DECREASE**

**Article 168** The merger of the Company may take the form of either merger by absorption or Merger by incorporation.

Merger by absorption means that a company absorbing another company and the company being absorbed shall be dissolved. Merger by incorporation means that a merger of two or more companies through the establishment of a new company and the companies being consolidated shall be dissolved.

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's resolution on merger and shall publish an announcement in the newspapers within 30 days from the date of such resolution. The creditors may require the Company to repay debts or provide corresponding guarantees for debt repayment within 30 days after the receipt of the notice, or within 45 days after the announcement for creditors if the creditors have not received the notice.

In the event of a merger, creditors' right or debts of each of the parties to the merger shall be assumed by the company which survives the merger or the newly established company resulting from the merger.

**Article 169** Where the Company is divided, its properties shall be divided accordingly.

In the event of a division, the parties to the division shall enter into a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's resolution on division and shall publish an announcement about the resolution in the newspapers within 30 days from the date of such resolution.

The debts of the Company prior to the division shall be undertaken by the companies after the division, save as otherwise specified in the written agreement on debt repayment reached between the Company and its creditors before the division.

**Article 170** The Company shall prepare a balance sheet and an inventory of assets when it reduces its registered capital.

The Company shall notify its creditors within 10 days after the adoption of the resolution to reduce the registered capital and shall make announcements in newspapers within 30 days. The creditors shall be entitled to require the Company to repay debts or provide corresponding guarantees for debt repayment within 30 days after the receipt of the notice, or within 45 days after the announcement for creditors if the creditors have not received the notice.

The Company's registered capital shall not, upon capital reduction, be less than the statutory minimum limit.

**Article 171** The Company shall, in accordance with the laws, apply for change in its registration with the company registration authority where a change in any item in its registration arises out of merger or division. Where the Company is dissolved, the Company shall apply for its deregistration in accordance with the laws. Where a new company is established, the Company shall apply for registration thereof in accordance with laws.

The Company shall, in accordance with the laws, apply for change in its registration with the company registration authority where it increases or reduces its registered capital.

## **SECTION 2 DISSOLUTION AND LIQUIDATION OF THE COMPANY**

**Article 172** In any of the following circumstances, the Company shall be dissolved:

- (I) the term of operation specified in these Articles expires or any other circumstance for dissolution specified in these Articles arises;
- (II) a resolution on dissolution is passed at a shareholders' general meeting;
- (III) dissolution is necessary due to a merger or division of the Company;
- (IV) its business license is revoked, or it is ordered to close up or to be revoked according to laws;
- (V) where the Company's operations and management encounter serious difficulty, and its continuation will cause substantial losses to the interests of the shareholders and no solution can be found through any other channel, shareholders holding 10% or more of the total voting rights of the Company may make requisition to the People's Court to dissolve the Company.

In the event of dissolution due to the circumstance set out in (I) above, the Company may continue to subsist by amending these Articles. If these Articles are amended according to the provisions of the preceding paragraph, such amendment must be approved by a resolution passed by no less than two-thirds of the voting rights held by shareholders attending the shareholders' general meeting.

**Article 173** Where the Company is dissolved pursuant to (I), (II), (IV) and (V) of Article 172 hereof, a liquidation committee shall be set up, within 15 days from the date upon which the cause of dissolution arises, to start the liquidation process. The membership of the liquidation committee shall be determined by an ordinary resolution of the shareholders' general meeting. In case no such committee is established to proceed with liquidation in time, the creditors may make an application to the People's Court for appointing relevant persons to form the liquidation committee for liquidation.

**Article 174** 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 an inventory of assets respectively;
- (II) to inform creditors by notice or announcement;
- (III) to dispose of and liquidate any unfinished businesses of the Company;
- (IV) to pay outstanding taxes and taxes incurred during the liquidation process;
- (V) to settle claims and debts;
- (VI) to deal with the remaining assets after the Company's debts having been paid in full;
- (VII) to represent the Company in civil lawsuits.

**Article 175** The liquidation committee shall within 10 days of its establishment send a notice to creditors, and within 60 days of its establishment make a public announcement in a newspaper. The creditors shall declare their claims to the liquidation committee within 30 days from the date on which they receive such notice or within 45 days from the date of announcement if no such notice is received.

When declaring the claims, the creditors shall specify the relevant matters about the claims and provide evidence. The liquidation committee shall register such claims.

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

**Article 176** The liquidation committee shall, after examining the Company's property and preparing the balance sheets and an inventory of assets, formulate a liquidation plan and present it to the shareholders' general meeting or the People's Court for confirmation.

The property of the Company shall be liquidated in the following order: payment of liquidation expenses, staff wages, social insurance expenses and statutory compensation, payment of outstanding taxes, and repayment of the Company's debts.

The remaining property of the Company after repayment of its debts in accordance with the preceding provision shall be distributed to the shareholders of the Company in proportion to their respective shareholdings.

During the liquidation period, the Company continues to exist, but may not carry out any business operation that is not for purpose of carrying out liquidation. Before the settlement of repayments as prescribed in the preceding provision, the Company's property will not be distributed to shareholders.



**Article 177** If the liquidation committee, having examined the Company's property and having prepared a balance sheet and an inventory of property, discovers that the Company's assets are insufficient to pay its debts in full, it shall immediately apply to the People's Court for a declaration of insolvency.

After the People's Court has declared the Company insolvent, the liquidation committee shall turn over any matters regarding the liquidation to the People's Court.

**Article 178** Following the completion of liquidation, the liquidation committee shall prepare a report on liquidation and a statement of the receipts and payments and financial books during the period of liquidation, which shall be examined and verified by the PRC certified public accountants and submitted to the shareholders' general meeting or the People's Court for confirmation. The liquidation committee shall also within 30 days after such confirmation, submit the preceding documents to the company registration authority and apply for cancellation of registration of the Company, and publish an announcement relating to the termination of the Company.

**Article 179** Members of the liquidation committee shall faithfully perform their duties in carrying out the liquidation in accordance with the law.

Members of the liquidation committee shall not abuse their powers by taking bribes or receiving other illegal income and misappropriating the assets of the Company.

A member of the liquidation committee who causes losses to the Company or its creditors due to his intentional misconduct or gross negligence shall be liable for damages.

**Article 180** If the Company is declared bankrupt in accordance with the laws, liquidation shall be implemented pursuant to relevant enterprise bankruptcy laws.

## **CHAPTER 11 AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

**Article 181** The Company shall amend the Articles of Association under any of the following circumstances:

- (I) Subsequent to the amendments to the Company Law or the relevant laws and administrative regulations, the matters provided for in the Articles of Association are in conflict with the provisions of the amended laws and administrative regulations;
- (II) Changes in the state of the Company are inconsistent with the matters provided for in the Articles of Association;
- (III) The shareholders' general meeting has decided to amend the Articles of Association.

**Article 182** Amendments to the Articles of Association passed by resolutions at the shareholders' general meeting, which require examination and approval by the competent authorities, shall be submitted to the competent authorities for approval. Where amendment involves the registered particulars of the Company, the procedures for change registration shall be handled in accordance with the laws.

**Article 183** The Board shall amend these Articles in accordance with the resolution of the shareholders' general meeting in relation to the amendment of these Articles and the opinion on examination and approval from relevant regulatory authorities.

**Article 184** Any amendment to these Articles which involves information to be disclosed as required by the law or regulations, shall be publicly announced as required.

## CHAPTER 12 SUPPLEMENTARY PROVISIONS

### Article 185 Definition

- (I) Controlling shareholder refers to a person that satisfies any one of the following conditions: (1) He, acting alone or in concert with others, has the power to elect no less than half of the Directors; (2) He, acting alone or in concert with others, has the power to exercise or control the exercise of no less than 30% of the Company's voting rights; (3) He, acting alone or in concert with others, holds no less than 30% of the outstanding shares of the Company; (4) He, acting alone or in concert with others, actually controls the Company in any other manner.
- (II) De facto controller refers to the person who is not a shareholder of the Company but is able to actually control the actions of the Company through an investment relation, agreement or other arrangement.
- (III) Connected relationship refers to the relationship between the controlling shareholders, de facto controllers, Directors, Supervisors or senior management of the Company and the companies controlled directly or indirectly by them, as well as other relationships that may result in transfer of interests of the Company. However, State-controlled companies do not incur a connected relationship simply because their shares are controlled by the State.
- (IV) In these Articles, "accounting firm" has the same meaning as that of "auditors" in the SEHK Listing Rules and "independent Director" has the same meaning as that of "independent non-executive Director" in the SEHK Listing Rules.
- (V) In these Articles, "connected transaction" refers to the definition as set out in the SEHK Listing Rules.
- (VI) In these Articles, "State" refers to the People's Republic of China.

**Article 186** In these Articles, "no less than", "within" or "no more than" includes the given figure, while "under", "beyond", "less than", "more than" or "over" does not include the given figure.

**Article 187** For matters not stipulated in these Articles, or inconsistencies between the provisions of these Articles and any separate agreement in writing among connected parties, the written agreement separately entered into by the connected parties shall prevail.

**Article 188** The Company shall deliver all notices or other documents prepared in English or attach a signed and certified English version corresponding thereto, in accordance with chapter 13 of the SEHK Listing Rules to the Hong Kong Stock Exchange.

These Articles are prepared in Chinese. In case of any discrepancy between any other language or different version and the Chinese version of these Articles, the Chinese version shall prevail.

**Article 189** The Board shall be responsible for the interpretation of these Articles. Matters not covered in these Articles shall be dealt with pursuant to the laws, administrative regulations and securities regulatory rules of the place where the shares of the Company are listed and in line with the actual circumstances of the Company. In the event of any discrepancy between these Articles and the newly promulgated laws, administrative regulations or securities regulatory rules of the place where the shares of the Company are listed, the latter shall prevail.

**Article 190** These Articles are deliberated and adopted by the shareholders' general meeting of the Company, and shall come into force on the date when the Company's issuance of H Shares is filed with the CSRC and listed on the Stock Exchange.