

**Jenscare Scientific Co., Ltd.**

**Articles of Association**

August 2023

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## Chapter 1 General Provisions

- Article 1** These Articles of Association (these “Articles”) have been formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “HKEX Listing Rules”), the Guidelines for the Articles of Association of Listed Companies and other applicable laws, regulations and regulatory documents to protect the legal rights and interests of Jenscare Scientific Co., Ltd. (the “Company”) and its shareholders and creditors and regulate the organization and acts of the Company.
- Article 2** The Company is a joint stock company established pursuant to the Company Law, the Securities Law and other relevant regulations.
- The Company is a joint stock limited company established by means of sponsorship and by the overall structural reform of Ningbo Jenscare Biotechnology Co., Ltd.. It was registered with the Ningbo Administration for Market Regulation and obtained a business license. The unified social credit code of the Company is: 91330201583980804P.
- Article 3** Registered name of the Company
- The Chinese name of the Company is: 寧波健世科技股份有限公司
- The English name of the Company is: Jenscare Scientific Co., Ltd.
- Article 4** The Company’s legal residence: Block 5, B Area, No. 777, Binhai 4th Road, Hangzhou Bay New Area, Ningbo, Zhejiang Province
- Postal code: 315336
- Article 5** With approval of the China Securities Regulatory Commission (the “CSRC”) and The Stock Exchange of Hong Kong Limited (the “HKEX”), the Company issued 8,076,400 overseas-listed foreign invested shares (H-shares) in its initial public offering, 20 holders of domestic shares of the Company converted 107,584,920 domestic shares into overseas-listed foreign invested shares and 7 holders of foreign invested shares converted 15,929,312 non-listed foreign invested shares into overseas-listed foreign invested shares, all of which had been listed on the HKEX on October 10, 2022.
- Article 6** The registered capital of the Company is RMB417,167,290.
- Article 7** The legal representative of the Company is the Chairman of the Board of Directors of the Company.

- Article 8** The Company is a joint stock limited company with perpetual existence.
- Article 9** All assets of the Company shall be divided into equal shares, and the liability of shareholders to the Company shall be limited to the shares subscribed by them, and the Company shall be liable for the debts of the Company with all its assets.
- Article 10** The Articles of Association, from the date it becomes effective, shall become a legally binding document upon the Company and its shareholders, directors, supervisors and senior management which will regulate the organization and acts of the Company, the rights and obligations between the Company and shareholders and between different shareholders. According to these Articles, a shareholder may sue another shareholder, or any director, supervisor, manager or other senior management of the Company, or the Company, and the Company may sue any shareholder, director, supervisor, manager or other senior management.
- Article 11** For the purposes of the Articles, senior management refer to the general manager, deputy general manager, chief financial officer (CFO) and secretary to the Board of Directors of the Company.
- Article 12** The Company shall establish the CPC organization and carry out the CPC activities in accordance with the Constitution of the Communist Party of China. The Company shall provide necessary conditions for the activities of the CPC organization.

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

- Article 13** The business purpose of the Company is to become the leader of innovative solutions for structural heart diseases in the world.
- Article 14** The Company's scope of business, as duly registered, includes: general items: engineering and technical research and experimental development; technical services, technology development, technology consulting, technology exchange, technology transfer, technology promotion; medical research and experimental development; research and development of new materials and technologies; natural science research and experimental development; production of Class I medical devices; sales of Class I medical devices; sales of Class II medical devices (except for the business activities for the items subject to approval in accordance with the laws, business activities for any other items can be lawfully carried out independently as permitted under its business license). Permitted items: inspection and testing services; production of Class II medical devices; production of Class III medical devices; Class III medical devices operation; import and export of goods (for the items subject to approval in accordance with the laws, upon obtaining such approval from relevant authorities, the business activities for such items are allowed to commence for which the specific scope shall be subject to such approval).

## Chapter 3 Shares

### Section 1 Issuance of Shares

**Article 15** The shares of the Company shall take the form of stock.

**Article 16** Stocks issued by the Company shall be denominated in RMB and each have a par value of RMB1. Shares of the Company shall be issued based on the principles of openness, fairness and justice. Shares of the same class shall rank pari passu with each other.

For the same class of shares issued in the same tranche, each share shall be issued under the same conditions and price. Each subscriber, whether an entity or an individual, shall pay the same price for each share for which he/she subscribes for.

The domestic shares and overseas listed foreign shares issued by the Company shall have equal rights in the payment of dividend or distribution in any other form.

**Article 17** The Company may offer its shares to both domestic and foreign investors after registration/filing with the securities regulatory authority under the State Council.

Foreign investors referred to in the preceding paragraph mean those investors in foreign countries, Hong Kong, Macau and Taiwan who subscribe for the shares issued by the Company; domestic investors mean those investors in the People's Republic of China, excluding the aforementioned regions, who subscribe for the shares issued by the Company.

**Article 18** Shares issued by the Company to domestic investors for subscription in Renminbi are referred to as domestic shares. Shares issued by the Company to overseas investors for subscription in foreign currency are referred to as foreign shares. Foreign shares which are listed outside the People's Republic of China are referred to as overseas listed foreign shares.

Shares listed on an overseas stock exchange upon approval by the department authorized by the State Council and by the overseas securities regulatory authority are collectively known as overseas listed shares.

Foreign shares issued by the Company and listed on the Hong Kong Stock Exchange are known as H shares. These shares are approved for listing on the Hong Kong Stock Exchange, have a par value denominated in Renminbi and are subscribed for and traded in foreign currencies.

Foreign currencies referred to in the preceding paragraph mean the lawful currencies, other than Renminbi, of other countries or regions, which are recognized by the foreign exchange authority of the State and can be used to pay to the Company for the shares.

To the extent as permitted by relevant law, administrative regulations and department rules, shareholders of the Company may apply for the listing of its unlisted shares they hold on an overseas stock exchange upon filing with securities regulatory authority under the State Council. Listing of the aforesaid shares on an overseas stock exchange shall also be in compliance with the regulatory procedures, regulations and requirements of the overseas securities market.

**Article 19** The H-shares issued by the Company are mainly deposited in the trusted companies subordinate to Hong Kong Securities Clearing Company Ltd.

**Article 20** A total of 360,000,000 ordinary shares were issued to the promoters upon incorporation of the Company, all of which were subscribed for and held by those promoters. The name of each of the promoters of the Company, number of Shares subscribed, means of capital contributions and time of capital contributions are as follows:

No.	Name of promoters	Number of Shares subscribed (0'000)	Means of capital contributions	Time of capital contributions
1	Ningbo Sangdi Investment Management L.P. (Limited Partnership)	3,093.4440	By conversion of net assets into Shares	February 28, 2021
2	Shanghai Shidi Industrial Development Co., Ltd.	3,936.8160	By conversion of net assets into Shares	February 28, 2021
3	Ningbo Linfeng Biotechnology Co., Ltd.	2,110.8600	By conversion of net assets into Shares	February 28, 2021
4	WU Danke	350.4960	By conversion of net assets into Shares	February 28, 2021
5	LV Shiwen	3,925.5840	By conversion of net assets into Shares	February 28, 2021
6	Ningbo Mukang Venture Capital Partnership (Limited Partnership)	2,589.0840	By conversion of net assets into Shares	February 28, 2021
7	Ningbo Kefeng Investment Management L.P. (Limited Partnership)	1,299.8160	By conversion of net assets into Shares	February 28, 2021
8	Hangzhou Chende Investment L.P. (Limited Partnership)	1,093.5720	By conversion of net assets into Shares	February 28, 2021
9	Suzhou Chenzhide Investment L.P. (Limited Partnership)	1,418.0400	By conversion of net assets into Shares	February 28, 2021
10	Hangzhou Proxima Innovative Investment L.P. (Limited Partnership)	595.8720	By conversion of net assets into Shares	February 28, 2021
11	MA Ji	249.9840	By conversion of net assets into Shares	February 28, 2021
12	Hainan Maidi Enterprise Management L.P. (Limited Partnership)	4,123.6200	By conversion of net assets into Shares	February 28, 2021

No.	Name of promoters	Number of Shares subscribed (0'000)	Means of capital contributions	Time of capital contributions
13	Suzhou Proxima Venture Investment L.P. (Limited Partnership)	374.0400	By conversion of net assets into Shares	February 28, 2021
14	GP Healthcare Equity Investment L.P. (Limited Partnership)	374.0400	By conversion of net assets into Shares	February 28, 2021
15	Tianjin Fanchuan Management Consulting L.P. (Limited Partnership)	922.1760	By conversion of net assets into Shares	February 28, 2021
16	Beijing PICC Healthcare Investment Fund, L.P.	799.9920	By conversion of net assets into Shares	February 28, 2021
17	Zhuhai Yuheng Equity Investment L.P. (Limited Partnership)	1,861.8120	By conversion of net assets into Shares	February 28, 2021
18	Shanghai Changxiang Medical Technology Center (Limited Partnership)	290.9160	By conversion of net assets into Shares	February 28, 2021
19	Qiushixingde (Tianjin) Investment Center (Limited Partnership)	1,440.0000	By conversion of net assets into Shares	February 28, 2021
20	China Life Chengda (Shanghai) Healthcare Equity Investment Center (Limited Partnership)	1,309.1040	By conversion of net assets into Shares	February 28, 2021
21	Tianjin Fanshi Management Consulting L.P. (Limited Partnership)	306.1800	By conversion of net assets into Shares	February 28, 2021
22	CICC Pucheng Investment Co., Ltd.	261.8280	By conversion of net assets into Shares	February 28, 2021
23	Hainan Hualing Investment L.P. (Limited Partnership)	3,272.7240	By conversion of net assets into Shares	February 28, 2021
<b>Total</b>		<b>36,000</b>	-	-

**Article 21** The Company has 417,167,290 shares in total, all of which are ordinary shares.

**Article 22** None of the Company and its subsidiaries (including affiliated enterprises of the Company) shall provide any support to any person who purchases or proposes to purchase shares of the Company, be it gift, funding, guarantee, compensation or loan.



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

**Article 23** The Company may, based on its business and development needs and in accordance with laws and regulations, increase its share capital after being approved by the resolution by the general meeting in the following manners:

- (1) public offering of Shares;
- (2) non-public offering of Shares;
- (3) bonus issue to existing Shareholders;
- (4) conversion of provident funds into share capital;
- (5) other ways permitted by the laws and administrative regulations and approved by the CSRC.

The Company's increase of capital by issuing new shares shall, after obtaining the approval pursuant to the provisions of the Articles of Association, be conducted in accordance with the procedures as provided in relevant laws and administrative regulations of the State, and relevant regulatory rules of the place where the Company's shares are listed.

**Article 24** The Company may reduce its registered capital. The Company may reduce its registered capital in accordance with the procedures as provided in the Company Law, other relevant regulations and the Articles of Association.

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

- (1) reduction of the registered capital of the Company;
- (2) merger with another company that holds the Shares in the Company;
- (3) using the Shares for the employee share ownership scheme or equity incentive scheme;
- (4) repurchase of the Shares held by the Shareholders as requested by them since they object the resolution for the merger or spinning-off of the Company proposed at a general meeting;
- (5) using the Shares for conversion of convertible corporate bonds issued by the Company;
- (6) being necessary for the Company to protect its value and its shareholders' interests;
- (7) other circumstances as permitted by laws and administrative regulations.

In the event that the Company repurchases its own shares, it shall fulfill its obligation of information disclosure in accordance with the laws.

**Article 26** The Company's purchase of its own shares may be made by public centralized trading or other methods provided by laws and administrative regulations and recognized by the CSRC.

Such purchase by the Company under circumstances set forth in Items (3), (5) and (6), Paragraph One, Article 25 hereof shall be made by public centralized trading.

**Article 27** The Company's purchase of its own shares shall be approved by resolution of the general meeting if it arises from circumstances set forth in Items (1) and (2), Paragraph One, Articles 25 hereof, or may be approved by resolution of the meeting of Board of Directors approved by more than two thirds of attending directors in accordance with the provisions hereof or with the authorization of the general meeting, if it arises from circumstances set forth in Items (3), (5) and (6), Paragraph One, Articles 25 hereof.

After the Company purchases its shares in accordance with Paragraph One, Article 25 hereof, such shares shall be canceled within ten (10) days from the date of purchase in case of circumstance set forth in Item (1), or transferred or canceled within six (6) months in case of circumstances set forth in Item (2) or (4), or transferred or canceled within three (3) years and the total number of shares of the Company held by itself shall not exceed 10% of the total number of issued shares of the Company, in case of circumstances set forth in Item (3), (5) or (6).

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

**Article 28** Unless otherwise provided by the laws, regulations and the securities regulatory authorities of the place where the shares of the Company are listed, shares of the Company may be transferred according to the law. Any transfer of the Company's shares must be registered with the local stock registration agency entrusted by the Company.

Where the Company refuses to register a share transfer, the Company shall give a notice of refusal of registration of such share transfer to the transferor and the transferee, within two months after the date when the transfer application is filed in due form.

All transfer documents are maintained at the Company's legal residence or such other place as the Board of Directors may designate from time to time.

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

**Article 30**

No shares of the Company held by a promoter may be transferred within one year from the date of incorporation of the Company. No shares issued before the public offering of the Company may be transferred within one year from the date when the Company's stocks are listed and traded on the stock exchange.

Directors, supervisors and senior management of the Company shall report the number of shares (including preferred shares) in the Company held by them and the changes thereto to the Company, and shall not transfer more than 25% of the total number of shares of the same class in the Company held by them every year during their tenure, and no shares in the Company held by them may be transferred within one (1) year from the date of listing and trading of stocks of the Company. The above persons shall not transfer their shares in the Company within six months after their departure.

**Article 31**

If any of the shareholders, directors, supervisors and senior management of the Company holding more than 5% shares in the Company sells stocks or other equity securities in the Company held by him within six(6) months after purchase, or purchases such stocks or other equity securities within six(6) months after sale, the proceeds resulting therefrom shall belong to the Company, which will be recovered by the Board of Directors of the Company, except for any securities company which holds more than 5% shares in the Company due to purchase of the remaining stocks after the underwriting, and other circumstances provided by the CSRC.

For the purpose of the preceding paragraph, stocks or other equity securities held by directors, supervisors, senior management or natural person shareholders include those held by their spouses, parents, children and held through others' accounts.

Where the Board of Directors of the Company fails to comply with the provisions of Paragraph One of this Article, a shareholder may require the Board of Directors to do so within thirty (30) days. Should the Board of Directors of the Company fail again within such period, a shareholder may directly bring a lawsuit before the people's court in its/his own name for the account of the Company.

Where the Board of Directors of the Company fails to comply with the provisions of Paragraph One of this Article, the responsible Director shall be jointly and severally liable in accordance with the laws.

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

### **Section 1 Shareholders**

**Article 32** The Company shall, based upon the certificates provided by the security depository, establish a register of shareholders which shall be conclusive evidence for the holding of shares in the Company by a shareholder.

Shareholders shall have rights and assume obligations in accordance with the class and percentage of their shares. Shareholders holding shares of the same class shall have the same rights and assume the same obligations.

**Article 33** The original copy of the register of members of overseas listed foreign shares listed in Hong Kong shall be maintained in Hong Kong.

A duplicate copy of the register of members of overseas listed foreign shares shall be maintained at the domicile of the Company and shall be open for inspection by the shareholders, provided that the issuer may suspend the registration of shareholders under a clause equivalent to Section 632 of the Companies Ordinance. The appointed overseas agent(s) shall ensure the consistency between the original and the duplicate copies of the registers of members at all times.

Where the original and the duplicate copies of the register of members of overseas listed foreign shares are inconsistent, the original copy shall prevail.

**Article 34** Whenever the Company convenes a general meeting, distributes dividends, liquidates or engages in other activities requiring the confirmation of the identity of shareholders, the Board of Directors or the convener for the general meeting shall confirm the date of record, and the shareholders in record after the share market closes on the date of record shall be the shareholders who may enjoy relevant rights and interests.

**Article 35** Shareholders of the Company have the following rights:

- (1) to receive dividends and other forms of benefits in proportion to the number of the shares held by them;
- (2) to request, convene, preside over, attend or appoint a proxy to attend shareholders' general meetings, and to exercise the corresponding voting rights according to laws;
- (3) to supervise the Company's operations, put forward proposals or raise queries;
- (4) to transfer, gift or pledge their shares in accordance with the laws, administrative regulations and these Articles;

- (5) to obtain relevant information in accordance with the provisions of the Articles of Association, including:
  1. a copy of the Articles of Association upon payment of the costs thereof;
  2. to inspect and make a photo copy of, subject to payment of reasonable charge:
    - (1) all parts of the register of members;
    - (2) personal particulars of directors, supervisors, general manager and other senior management of the Company, including:
      - (A) current and previous names and aliases;
      - (B) principal address (domicile);
      - (C) nationality;
      - (D) full-time and all other part-time occupations and positions;
      - (E) identification documents and their numbers;
    - (3) the status of the Company's Share capital;
    - (4) reports (breakdown by domestic shares and foreign shares (and, if applicable, H shares)) stating the aggregate par value, quantity, maximum and minimum prices paid in respect of each class of shares repurchased by the Company since the end of the last accounting year and the aggregate amount incurred by the Company therefor;
    - (5) minutes of shareholders' general meetings;
    - (6) special resolutions of the Company;
    - (7) the latest audited financial statements of the Company, and the reports of board of directors, board of supervisors and the auditor;
    - (8) a copy of the latest annual return filed with the industrial and commercial registration departments or other competent authorities.

The Company shall place the documents referred to above (except for those referred to in sub-article (2)) at the Company's address in Hong Kong for inspection by the public and the holders of H shares free of charge, of which documents referred to in sub-article (5) are available for inspection by shareholders only. The shareholder who proposes to consult any of the foregoing information or obtain materials relating thereto shall provide the Company with a written document proving the class and number of shares held by it/him in the Company, and the Company shall provide such information and materials in accordance with the requirements of the shareholder after verification of its/his shareholder identity.

3. to inspect the resolutions of the board meetings, the resolutions of meetings of the board of supervisors, financial and accounting reports, counterfoils of Company debentures.
- (6) to participate in the distribution of the remaining assets of the Company according to the number of shares held in the event of the termination or liquidation of the Company;
- (7) require the Company to acquire their shares, if they object to any resolution of the general meeting on merger or split of the Company; and
- (8) other rights as provided by laws, administrative regulations, departmental rules or these Articles.

**Article 36** Shareholders may request a people's court to invalidate any resolution of the general meeting or the Board of Directors of the Company containing content against the laws or administrative regulations.

Where the procedures for convening, or the voting method used at, a general meeting or a meeting of the Board of Directors, violates any law, administrative regulation or these Articles, or where any resolution contains any content violating these Articles, the shareholders may, within 60 days from the date on which the resolution is made, request a people's court to revoke such resolution.

**Article 37** If any director or senior management violates the laws, administrative regulations or these Articles in the performance of his duties to the Company, giving rise to any loss of the Company, then the shareholder(s) who individually or jointly hold(s) more than 1% shares in the Company for more than 180 consecutive days shall have the right to request in writing the Board of Supervisors to bring a lawsuit before the people's court. If the Board of Supervisors violates the laws, administrative regulations or these Articles in the performance of its duties to the Company, giving rise to any loss of the Company, then any shareholder may request in writing the Board of Directors to bring a lawsuit before the people's court.

Where the Board of Supervisors or the Board of Directors refuses to bring a lawsuit upon receipt of a written request of shareholder described in the preceding paragraph, or fails to bring a lawsuit within thirty (30) days upon receipt of the request, or if, in urgent situation in which failing to bring a lawsuit forthwith will cause irreparable damage to the interests of the Company, the shareholder(s) described in the preceding paragraph may bring a lawsuit before the people's court directly in his or their own name(s) for the account of the Company.

Where others infringe upon the lawful interest of the Company, giving rise to any loss of the Company, the shareholders described in Paragraph One of this Article may bring a lawsuit before the people's court in accordance with the two preceding paragraphs.

**Article 38** Where any Director or senior management violates the laws, administrative regulations or these Articles, prejudicing the interest of the shareholders, the shareholder may bring a lawsuit before the people's court.

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

- (1) to abide by laws, administrative regulations and the Articles of Association;
- (2) to pay the subscription monies according to the number of shares subscribed and the form of subscription;
- (3) not to withdraw shares, except for circumstances provided by laws and regulations;
- (4) not to abuse their shareholders' rights to damage the interests of the Company or other shareholders; and not to abuse the independent legal person status of the Company and the limited liability of the shareholders to damage the interests of any creditor(s) of the Company;
- (5) other obligations imposed by laws, administrative regulations and the Articles of Association.

Shareholders of the Company who abuse their shareholders' rights and thereby cause loss to the Company or other shareholders shall be liable for compensation according to laws. Where the shareholders of the Company abuse the Company's position as an independent legal person and the limited liability of shareholders for debt evasion, and thereby causes material damage to 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** Where a Shareholder holding more than 5% of voting Shares of the Company pledges any Shares in his/her possession, he/she shall report the same to the Company in writing on the day on which he/she pledges his/her shares.

**Article 41** No controlling shareholder or actual controller of the Company may take advantage of its/his relation/connection with the Company to damage the interests of the Company. Otherwise, it/he shall be liable for compensation for any loss to the Company arising from its/his breach.

The controlling shareholder and the actual controller of the Company shall have fiduciary duty towards the Company and the shareholders of public shares in the Company. The controlling shareholder shall exercise the rights of contributor in strict accordance with the laws, and shall not prejudice the legal interests and rights of the Company and shareholders of public shares in the form of profit distribution, assets restructuring, external investment, occupation of funds, loan guarantee or otherwise, nor prejudice the interests of the Company and shareholders of public shares by its controlling status.

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

**Article 42** Shareholders' general meeting is the organ of authority of the Company, which exercises its functions and powers according to the law:

- (1) to decide on the Company's operational policies and investment plans;
- (2) to elect and replace Directors, who are not employees' representatives, and to determine their remuneration;
- (3) to elect and replace Supervisors, who are not employees' representatives, and to determine their remuneration;
- (4) to consider and approve the reports of the Board of Directors;
- (5) to consider and approve the reports of the Board of Supervisors;
- (6) to consider and approve the annual financial budget and annual final accounts of the Company;
- (7) to consider and approve the Company's profit distribution plan and loss recovery plans;
- (8) to resolve on any increase or reduction of the Company's registered capital;
- (9) to resolve on matters such as the merger, division, dissolution, liquidation and change of corporate form of the Company;
- (10) to resolve on issuance of bonds, corporate restructuring or other public offering of securities by the Company and listing proposals;
- (11) to resolve on Company's appointment, removal or cease of re-appointment of an accounting firm;



- (12) to amend the Articles of Association;
- (13) to consider the proposals from shareholders with at least 3% of voting shares;
- (14) to consider and approve matters concerning any change to the use of proceeds;
- (15) to consider and approve any external guarantee which shall be approved at the general meeting under the Articles of Association;
- (16) to approve the Company's acquisition or disposal of substantial assets within one year and which exceed 30% of the latest audited total assets of the Company;
- (17) to consider and approve any significant transactions and related party/connected party transactions that shall be considered and approved at the general meeting under laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association;
- (18) to consider and approve equity incentive plans and employee stock option plans; and
- (19) other matters required resolutions from shareholders' general meeting provided by laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Subject to the laws and regulations, and the mandatory laws and regulations of the place where the shares of the Company are listed, the general meeting may authorize or entrust the Board of Directors to conduct matters authorized or entrusted thereby.

**Article 43**

The following external guarantee to be provided by the Company must be considered and approved by the general meeting:

- (1) any single guarantee with an amount exceeding 10% of the latest audited net assets of the Company;
- (2) any guarantee provided after the total amount of external guarantees provided by the Company and its holding subsidiary exceeds 50% of the latest audited net assets of the Company;
- (3) any guarantee to be provided to a party which has an asset-liability ratio of over 70%;

- (4) any guarantee exceeding 30% of the Company's latest audited total assets in accordance with the principle of cumulative calculation of the guarantee amount for 12 consecutive months;
- (5) any guarantee provided after the total amount of external guarantees provided by the Company exceeds 30% of the Company's latest audited total assets;
- (6) any guarantee to be provided to shareholders, actual controllers and their related party/connected parties; and
- (7) other guarantees as prescribed by laws, regulations, regulatory documents, the regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

External guarantees above that should be approved by the general meeting must be considered and approved by the Board of Directors before they are submitted to the general meeting for approval. In addition to the approval of a majority of all directors, guarantees falling into the scope of approval authority of the Board of Directors must also be approved by more than two thirds of the directors present at the meeting of the board of directors. When the guarantee specified in Item (4) above is considered at the general meeting, it shall be approved by more than two-thirds of voting rights held by the shareholders attending the general meeting.

Where the Company provides a guarantee for its wholly-owned subsidiary, or for a holding subsidiary and other shareholders of the holding subsidiary provide a guarantee in the same proportion of their rights and interests, without prejudice to the interests of the Company, application of the provisions of Items (1), (2) and (3) above may be exempted, unless otherwise provided in these Articles. The Company shall disclose the aforesaid guarantees pursuant to the regulatory rules of the place where the shares of the Company are listed.

A guarantee provided by the Company for a related/connected party shall have reasonable business logic and be disclosed in a timely manner pursuant to the regulatory rules of the place where the shares of the Company are listed and submitted to the general meeting for consideration after consideration and approval by the Board of Directors. In case of a guarantee provided by the Company for a controlling shareholder, actual controller or their related/connected parties, the controlling shareholder, actual controller or their related/connected parties shall provide a counter guarantee.

When considering a proposal of providing guarantee to shareholders, actual controllers and their related/connected parties at the general meeting, such shareholders or shareholders controlled by such actual controller shall not vote thereon. Voting shall be approved by more than one half of the voting rights held by other shareholders present at the general meeting.

If the Company provides a guarantee, then the Company shall make prompt disclosure if the guaranteed party fails to fulfill its or his debt repayment obligations within 15 trading days after the maturity of the debt, or the guaranteed party enters into bankruptcy or liquidation or is under other circumstances that seriously affect its or his ability to repay the debt.

**Article 44**

Any transaction (other than external guarantee) of the Company shall be submitted to the general meeting of the Company for consideration and approval if:

- (1) the total assets involved in the transaction account for more than 50% of the Company's latest audited total assets, and if the total assets involved in the transaction have both net asset value and assessed value, the higher one shall be taken as the calculation data;
- (2) the transaction amount accounts for more than 50% of the Company's market value;
- (3) the net assets of the object of transaction (such as equity) in the latest accounting year account for more than 50% of the Company's market value;
- (4) the relevant operating income of the object of transaction (such as equity) in the latest accounting year accounts for more than 50% of the audited operating income of the Company in the latest accounting year, and absolute amount exceeds CNY50 million;
- (5) the profits from the transaction account for more than 50% of the audited net profits of the Company in the latest accounting year, and absolute amount exceed CNY5 million;
- (6) the relevant net profit of the object of transaction (such as equity) in the latest accounting year accounts for more than 50% of the audited net profit of the Company in the latest accounting year, and absolute amount exceeds CNY5 million;
- (7) transactions meeting the following criteria according to the definitions and relevant calculation methods under the HKEX Listing Rules;
  1. major transactions;
  2. very substantial disposals;
  3. very substantial acquisitions;
  4. reverse takeovers.

The net profit indicator in the above standards can be exempted before the Company makes profits.

The transaction amount stipulated above refers to the amount paid for the transaction and the liabilities and expenses assumed, etc. If the transaction arrangement involves possible future payment or receipt of consideration, without a specific amount or with an amount to be determined according to the set conditions, the expected maximum amount will be the transaction amount.

The market value stipulated above refers to the arithmetic mean of the closing market value for the 10 trading days prior to the transaction.

If the Company implements a transaction by installments, the above provisions shall be applied on the basis of the total amount of the transaction. The Company shall disclose the actual occurrence of the installment transactions in a timely manner.

As for the transaction in which the Company receives benefits unilaterally, including cash assets donated, debt relief granted, guarantees and subsidies, provided etc., the Company is exempt from the general meeting consideration procedure set forth in this Article. In order to ensure and improve the soundness and efficiency of the Company's daily operations, the general meeting may, to the extent permitted by law and these Articles, make necessary authorizations for the Company's investment, asset disposal, asset collateralization, external guarantee, entrusted wealth management, related party transactions and other material matters.

#### **Article 45**

Shareholders' general meetings are divided into annual general meetings and extraordinary general meetings.

Annual general meetings shall be convened once every year and held within six months after the end of the previous fiscal year.

The Company shall convene an extraordinary general meeting within two (2) months if and after:

- (1) the number of Directors is less than the number specified in the Company Law or less than two-thirds of the number required in the Articles of Association;
- (2) the uncovered losses of the Company reach one-third of its total share capital;
- (3) the shareholder individually or shareholders jointly holding more than 10% shares in the Company requisition to convene;
- (4) the Board of Directors considers it necessary;
- (5) the Supervisory Committee proposes to convene; or

- (6) such other circumstances stipulated by laws, administrative regulations, departmental rules, the regulatory rules of the place where the shares of the Company are listed or these Articles occur.

**Article 46** The venue of a general meeting of the Company shall be the Company's domicile or the place specified in the notice of the general meeting.

The general meeting shall set up a venue and be convened by means of physical meeting. The Company could also provide online voting or other means permitted by the regulatory rules of the place where the shares of the Company are listed to facilitate shareholders' participation in the General Meetings. Shareholders attending the general meeting by the aforesaid means shall be deemed as present.

Once the notice of the general meeting is given, the venue of the general meeting may not be changed without justifiable reasons. If such change is indeed necessary, the convener shall make announcement at least two (2) working days prior to the scheduled date of the physical meeting and state the reasons.

If the laws, regulations and the securities regulatory authorities of the place where the shares of the Company are listed provide otherwise, such provisions shall prevail.

**Article 47** Where the Company holds a general meeting, it will engage a legal counsel to issue opinions as required by the regulatory rules of the place where the shares of the Company are listed.

### **Section 3 Convening of General Meetings**

**Article 48** The general meeting shall be convened by the Board of Directors and presided over by the Chairman. If the Board of Directors is unable or fails to perform the duty of convening the general meeting, the Board of Supervisors shall convene it in time. If the Board of Supervisors does not convene the meeting, any shareholder(s) individually or jointly holding more than 10% of the shares of the Company for more than 90 consecutive days may convene the meeting on their own.

**Article 49** Independent directors may requisition to the Board of Directors to convene an extraordinary general meeting. For the requisition made by independent director for convening an extraordinary general meeting, the Board of Directors shall furnish a written reply stating its consent or dissent to such requisition for convening an extraordinary general meeting within 10 days upon receipt of such requisition, in accordance with the laws, administrative regulations and these Articles. In the event that the Board of Directors consents to convene an extraordinary general meeting, the notice thereof shall be issued within five days after the passing of a board resolution to that effect. In the event that the Board of Directors dissents to convene an extraordinary general meeting, an explanation shall be given.

Any other requirements of the securities regulatory authority at the place where the shares of the Company are listed shall prevail.

**Article 50** The Board of Supervisors shall have the right to requisition in writing to the Board of Directors to convene an extraordinary general meeting. The Board of Directors shall furnish a written reply stating its consent or dissent to the convention of the extraordinary general meeting within ten (10) days upon receipt of such proposal in accordance with the provisions of the laws, administrative regulations and these Articles.

In the event that the Board of Directors consents to convene an extraordinary general meeting, a notice of general meeting shall be issued within five days after passing of a board resolution to that effect; and any change to the original requisition in the said notice shall be subject to the consent of the Board of Supervisors.

In the event that the Board of Directors dissents to convene an extraordinary general meeting or furnishes no reply within 10 days upon receipt of such requisition, it shall be deemed that the Board of Directors is unable or unwilling to perform the duty to convene the general meeting and the Board of Supervisors may on its own convene and preside over the extraordinary General Meeting.

**Article 51** Any shareholder(s) individually or jointly holding more than 10% shares in the Company may submit a written requisition to the Board of Directors to convene an extraordinary general meeting. The Board of Directors shall furnish a written reply stating its consent or dissent to the convention of the extraordinary general meeting within ten (10) days upon receipt of such requisition in accordance with the provisions of the laws, administrative regulations and these Articles.

In the event that the Board of Directors consents to convene an extraordinary general meeting, a notice of general meeting shall be issued within five days after passing of a board resolution to that effect; and any change to the original requisition in the said notice shall be subject to the consent of the requisitioning shareholder or shareholders.

Where the Board of Directors dissents to the convention of an extraordinary general meeting, or furnishes no reply within ten (10) days upon receipt of such requisition, shareholder individually or shareholders jointly holding more than 10% shares in the Company shall be entitled to submit a written requisition to the Board of Supervisors to convene an extraordinary general meeting.

Where the Board of Supervisors consents to convene an extraordinary general meeting, a notice of general meeting shall be issued within five (5) days upon receipt of such requisition; and any change to the original proposal in the said notice shall be subject to the consent of the requisitioning shareholder or shareholders.

Where the Board of Supervisors fails to issue the notice of general meeting within the prescribed time, it shall be deemed that the Board of Supervisors will not convene and preside over the general meeting, in which case, shareholder individually or shareholders jointly holding more than 10% shares in the Company for more than ninety (90) consecutive days may convene and preside over the general meeting on its/his/their own.

**Article 52** Where the Board of Supervisors or the shareholder or shareholders decide to convene an extraordinary general meeting on its/his/their own, the Board of Supervisors or such shareholder or shareholders shall notify the Board of Directors in writing.

Before announcing any resolution of the general meeting, the shareholder(s) who convene(s) the meeting shall have a shareholding of no less than 10%.

If the laws, regulations and the securities regulatory authorities of the place where the shares of the Company are listed provide otherwise, such provisions shall prevail.

**Article 53** For general meetings convened by the Board of Supervisors or shareholder(s), the Board of Directors and the Secretary to the Board of Directors shall work in a cooperative manner. The Board of Directors shall provide the register of shareholders of the date of record.

**Article 54** Where the Board of Supervisors or shareholder(s) decide(s) to convene the general meeting on its/his/their own, the Company shall bear all necessary expenses in relation to the meeting.

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

**Article 55** The contents of a proposal shall be within the functions and powers of the general meeting, shall have definite issues for discussion and specific resolutions, and shall comply with the relevant provisions of the laws, administrative regulations and these Articles.

In the event that the Company convenes a general meeting, the Board of Directors, the Board of Supervisors or Shareholders individually or jointly holding an aggregate of more than 3% voting Shares of the Company are entitled to submit proposals to the Company.

Shareholders individually or jointly holding an aggregate of more than 3% voting Shares of the Company may submit interim proposals to the convener in writing 10 days prior to the general meeting.

The convener of the general meeting shall issue a supplemental notice of the general meeting to other Shareholders within 2 days after receipt of such proposal to announce the content of such temporary proposal.

Except as provided in the preceding paragraph, the convener shall not change the proposals set out in the notice of the general meeting or add any new proposal after the said notice is served.

Proposals not set out in the notice of the general meeting or not complying with these Articles shall not be voted on or resolved at the general meeting.

**Article 56**

The convener shall notify all shareholders by announcement at least 21 days prior to the convention of an annual general meeting, or at least 15 days prior to the convention of an extraordinary general meeting. The Company shall not include the date of convention of meeting into the calculation of starting and ending time.

If the laws, regulations and the securities regulatory authorities of the place where the shares of the Company are listed provide otherwise, such provisions shall prevail.

**Article 57**

Notice of general meetings shall contain:

- (1) the date, venue and duration of the meeting;
- (2) matters and proposals submitted for consideration at the meeting;
- (3) a clear statement that: each shareholder is entitled to attend the general meeting in person, or appoint one or more proxies who need not be shareholders of the Company, to attend and vote on his/its behalf, or if it is a corporate shareholder, a representative to attend and vote on its behalf at any general meeting; and such corporate shareholder shall be deemed to have attended any meeting in person if it has appointed a representative to do so. The corporate shareholder may have a duly authorized person to sign the proxy form;
- (4) the date of record for the determination of shareholders who are entitled to attend the general meeting;



- (5) name and telephone number of permanent contact person;
- (6) time and procedures for voting online or by other means;
- (7) such other requirements stipulated by laws, administrative regulations, departmental rules, the regulatory rules of the place where the shares of the Company are listed and these Articles.

The notice and supplementary notice of general meeting shall contain the contents required by the regulatory rules of the place where the shares of the Company are listed and these Articles, and shall fully, completely and accurately disclose and explain on all specific content of all proposals. For the matters proposed to discuss require opinions of the independent directors, such opinions and reasons thereof shall be disclosed together with the notice or supplementary notice of the general meeting.

Where a general meeting will be held online or otherwise, the notice of general meeting shall specify the voting time and procedures online or otherwise.

There shall be no more than 7 working days between the date of record and the date of the meeting. Once confirmed, the date of record shall not be changed.

#### **Article 58**

If the election of directors or supervisors is proposed to be discussed at a general meeting, the notice of the meeting shall adequately specify the detailed information on the director or supervisor candidates, which shall at least include:

- (1) personal particulars, including academic qualifications, working experience and concurrent positions;
- (2) whether or not have any relation/connection with the Company, its controlling shareholders or actual controller;
- (3) the number of shares of the Company held by such candidate;
- (4) whether such candidates have ever been punished by the CSRC and other relevant authorities or disciplined by a stock exchange.

Except for electing directors and supervisors by cumulative voting, each candidate for director or supervisor shall be nominated in a separate proposal.

**Article 59** Once the notice of general meeting is issued, the meeting shall not be postponed or canceled without proper reasons, and proposals contained in the notice shall not be withdrawn. Once delay or cancellation occurs, the convener shall notify shareholders with explanation at least two working days before the original convening date.

### **Section 5 Holding of General Meetings**

**Article 60** The Board of Directors and other convener of the Company shall take necessary measures to safeguard the normal order of the general meeting. Behavior such as disruption of the meeting, provocation of trouble and infringement on the legitimate rights and interests of shareholders shall be prevented and promptly reported to relevant authorities for investigation.

**Article 61** All shareholders whose names appear on the register of members on the record date or their proxies are entitled to attend the general meeting and exercise their voting rights in accordance with the relevant laws, regulations and these Articles.

Any shareholder entitled to attend and vote at a shareholders' general meeting of the Company may do so in person or appoint one or more proxies to represent him/her and vote on his/her behalf. The proxy need not be a shareholder. Every shareholder being a corporation shall be entitled to appoint a representative to attend and vote at any general meeting of the issuer and, where a corporation is so represented, it shall be treated as being present at any meeting in person. A corporation may execute a form of proxy under the hand of a duly authorized officer.

The clearing house shall be entitled to appoint a proxy or company representative to attend any general meeting of the issuer, who shall have the same legal rights as other shareholders, including the right to speak and vote.

**Article 62** Individual shareholders who attend the meeting in person shall show their own identification cards, or other valid documents or certificates to show their identity. The proxy appointed by a shareholder to attend the meeting shall present his own identification card and the form of proxy of the shareholder.

Corporate shareholders shall attend the meeting by its legal representative or the proxy appointed by its legal representative. Where the legal representative attends the meeting, he shall present his identification card and valid proof that can prove his qualification as legal representative; and where he appoints a proxy to attend the meeting, the proxy shall present his own identification card, and the written power of attorney legally issued by the legal representative of the corporate shareholder.

**Article 63** The form of proxy issued by the shareholder appointing his or her proxy to attend the general meeting shall state:

- (1) name of the proxy;
- (2) whether or not the proxy has any voting right;
- (3) instruction to vote for or against or abstain from voting on each and every issue included in the agenda of the general meeting;
- (4) the date of issue and validity period of the form of proxy;
- (5) the signature (or seal) of the appointer. In the event that the appointer is a corporate shareholder, the power of attorney shall be affixed with the seal of the corporate shareholder, or signed by its Director or a duly authorized officer or a duly appointed proxy.

**Article 64** The form of proxy shall indicate whether the proxy can vote in his own discretion if the appointing shareholder makes no specific instructions.

**Article 65** Where such form of proxy is signed by a person under a power of attorney on behalf of the appointer, such power of attorney or other authorization document shall be notarized. The notarized power of attorney and other authorization documents, together with the proxy form, shall be lodged at the Company's premises or such other place designated in the notice convening the meeting.

If the proxy is a corporate shareholder, its legal representative or any representative authorized by its board of directors or by other decision-making body may attend the shareholders' general meeting of the Company on its behalf.

Besides, where a shareholder is a recognized clearing house within the meaning defined in the laws of Hong Kong or its nominee, the clearing house is entitled to appoint a proxy or company's representative to act on its behalf at any shareholders' general meeting and meeting of creditors or any meeting of any class of shareholders; provided that where more than one person is so authorized, the letter of authorization shall specify the number and class of Shares in respect of which each such person is so authorized. Such persons or company's representative so authorized shall have equal rights as other shareholders', including the right to speak and to vote.

**Article 66** The Company shall be responsible for preparing a register of attendees of the meeting. Such register shall record name (or company name), ID Card no., domicile, number of voting shares held or represented, name (or company name) of appointer and other matters of the attendees.

**Article 67** The convener and the counsel engaged by the Company shall jointly verify the legality of the shareholders' qualifications in accordance with the register of shareholders provided by the Securities Depository and Clearing Institution, and record and register the name of the shareholders and the number of voting shares held by such shareholders. The registration process shall end before the presider of the meeting announces on site the number of shareholders and proxies that attend the meeting, and the total number of their voting shares.

**Article 68** When a general meeting is held, all directors, supervisors and the Secretary to the Board of Directors of the Company shall attend the general meeting, and the General Manager and other senior management shall attend the meeting without voting powers.

**Article 69** A general meeting shall be convened by the Board of Directors and presided over by the Chairman of the Board of Directors. Where the Chairman is unable or fails to perform his duties, a director jointly elected by more than one half of directors shall preside over the meeting.

For a general meeting convened by the Board of Supervisors on its own, the chairman of the Board of Supervisors shall preside over the meeting. Where the chairman of the Board of Supervisors cannot perform his duties or fails to perform his duties, a supervisor jointly selected by more than one half of the supervisors shall preside over the meeting.

For a general meeting convened by shareholder(s) on its/their own, the convener(s) shall select a representative to preside over the meeting.

When a general meeting is held and the presider violates these Rules of Procedures to cause the general meeting impossible to continue, then upon consent of the shareholders with a majority of the voting rights present at the meeting, a person may be elected at the general meeting to act as the presider to continue the meeting.

**Article 70** The Company shall formulate the rules of procedures for general meeting specifying the convening and voting procedures of General Meetings, including notice, registration, deliberation of and voting on proposals, votes counting, announcement of voting results, drafting of meeting resolutions, meeting minutes and their signature, announcements and other content, as well as the principle of delegation of powers to the Board of Directors by the general meeting, and the content of delegation shall be clear and specific. The rules of procedures for general meeting shall be attached hereto as an appendix, and formulated by the Board of Directors and approved by the general meeting.

**Article 71** At the annual general meeting, the Board of Directors and the Board of Supervisors shall report to the general meeting on their work in last year. Each of the independent directors shall also report their work.

**Article 72** Directors, supervisors and senior management shall provide explanation and clarification to the inquiries raised by the shareholders at the general meeting.

**Article 73** The presider of the meeting shall announce the number of attending shareholders and proxies and the total number of their voting shares before voting, each of which shall be subject to the registration of the meeting.

**Article 74** The General Meetings shall have meeting minutes, which shall be recorded by the Secretary to the Board of Directors, and shall contain:

- (1) the date, venue and agenda of the meeting, and the name of the convener;
- (2) the names of the presider and the directors, supervisors, general manager and other senior management attending or present at the meeting with or without voting rights;
- (3) the number of attending shareholders and proxies, and the total number of their voting shares and their percentage in the total number of shares of the Company;
- (4) the consideration process of each proposal, summaries of the speeches and the voting result;
- (5) details of the inquiries or recommendations of the shareholders, and the corresponding response or explanations;
- (6) the name of the counsel(s), vote counter(s) and scrutineer(s); and
- (7) such other content that shall be recorded in the minutes according to the Articles of Association.

**Article 75** The convener shall guarantee the authenticity, accuracy and completeness of the content of the minutes of the meeting. The directors, supervisors, Secretary to the Board of Directors, the convener or their representative, and the presider of the meeting attending the meeting shall sign on the minutes. The minutes shall be maintained with the register of names of shareholders attending in person and the proxy form for proxy attending, and valid materials in case of voting online or otherwise, for a term of at least ten (10) years.

**Article 76** The convener shall ensure the successive holding of the General Meeting until the adoption of final resolution. Where the General Meeting is suspended or unable to adopt resolution due to force majeure or other special reasons, necessary measures shall be taken to resume the General Meeting as soon as possible or directly terminate the General Meeting concerned, and make timely announcement to that effect.

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

**Article 77** The resolutions of the Shareholders' general meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution made by the Shareholders' general meeting shall be passed by a simple majority of the votes held by the Shareholders (including proxies of Shareholders) attending the Shareholders' general meeting.

A special resolution made by the Shareholders' general meeting shall be passed by a two-thirds majority of the votes held by the Shareholders (including proxies of Shareholders) attending the Shareholders' general meeting.

**Article 78** Shareholders shall be entitled (1) to speak at Shareholders' general meetings and (2) to vote at Shareholders' general meetings unless individual Shareholders are required by the listing rules of the exchange where the Shares of the Company are listed to abstain from voting on particular matters. When voting at the Shareholders' general meeting, a Shareholder (including his/her proxies) shall exercise his/her voting rights in accordance with the number of Shares represented by him/her. Each Share shall have one vote.

The Company's Shares held by the Company shall not carry voting rights, and those Shares shall not be included in calculating the total number of Shares carrying voting rights at a Shareholders' general meeting.

When material issues affecting the interests of minority investors are considered at a General Meeting, the votes of minority investors shall be counted separately. The separate votes counting results shall be disclosed in a timely manner to the public.

Where a shareholder purchases voting shares of the Company in violation of Paragraph 1 or 2 of Article 63 of the Securities Law, then within thirty-six (36) months after such purchase, the voting rights attached to such shares in excess of the prescribed percentage shall not be exercised, and such shares shall not be included in the total number of voting shares present at the General Meeting.

The Board of Directors, the independent director, the shareholder(s) holding more than one hundredth of the voting shares of the Company, or any investor protection institution established in accordance with the laws, administrative regulations, or rules of the CSRC may solicit proxies from shareholders of the Company. In case of solicitation of proxies from shareholders, specific voting intention and other information shall be fully disclosed to the shareholders whose proxies are solicited. Solicitation of proxies from shareholders for compensation or disguised compensation is prohibited. The Company may not propose any minimum shareholding restriction on proxy solicitation, except the statutory conditions.

**Article 79** Unless the resolutions on relevant procedures of a General Meeting or administrative matters which can be decided by the presider of the meeting in the spirit of honesty and credibility and shall be voted on by show of hands, voting at a General Meeting shall be made by disclosed ballot.

Such procedures and administrative matters shall:

- (1) not be contained in the agenda of the General Meeting or in any supplementary circular to shareholders; and
- (2) involve the duty of the presider of the meeting to maintain the orderly conduct of the General Meeting and/or allow the business of the General Meeting to be transacted in a more proper and efficient manner, while giving all shareholders a reasonable opportunity to express their views.

**Article 80** The following matters shall be resolved at the Shareholders' general meeting through ordinary resolutions:

- (1) the work reports of the Board of Directors and the Board of Supervisors;
- (2) the plans of profits distribution and loss recovery schemes proposed by the Board of Directors;
- (3) removal of members of the Board of Directors and the Board of Supervisors and their remunerations and methods of payment;
- (4) annual budget and final accounting plan of the Company;
- (5) annual report of the Company;
- (6) the appointment, removal of accounting firm, their remuneration and payment methods thereof;
- (7) any matters not otherwise required by the laws, administrative regulations, regulatory rules of the place where the shares of the Company are listed or these Articles to be approved by special resolution.

**Article 81** The following matter shall be passed through special resolutions:

- (1) the increase or decrease of the share capital, issuance of any class of shares, warrants and other quasi-securities by the Company;
- (2) spin-off, split, merger, dissolution or liquidation of the Company;
- (3) amendment to the Articles of Association;

- (4) matters on purchase or sale of material assets or provision of guarantee with an amount of more than 30% of the Company's audited total assets value for the most recent period within one year;
- (5) formulation and amendment of equity incentive plans;
- (6) vary or abrogate the rights conferred on the shareholders; and
- (7) other matters as required by the laws, administrative regulations, regulatory rules of the place where the shares of the Company are listed or these Articles, and matters determined by the General Meeting by ordinary resolution to have material effect on the Company and necessary for approval by special resolutions.

**Article 82**

When the General Meeting reviews matters relating to related party/connected transactions, the related/connected shareholders and their close associates shall not participate in voting by ballot and the number of shares with voting rights represented by them shall not be counted in the total number of valid votes. The announcement of the General Meeting resolutions shall fully disclose the votes by non-related parties/non-connected persons.

Before the General Meeting reviews matters relating to related party/connected transactions, the Company shall determine the scope of related/connected shareholders in accordance with relevant laws, regulations and regulatory documents. Related parties/connected persons or their authorized representatives may attend the General Meeting, and may clarify their views to the shareholders in accordance with the procedures of the meeting, but they shall abstain from voting by ballot.

Where the General Meeting reviews matters relating to related party/connected transactions, related/connected shareholders shall abstain from voting. If related/connected shareholders fail to abstain from voting, other shareholders attending the meeting shall have the right to request them to do so. After related/connected shareholders have abstained from voting, other shareholders shall vote according to their voting rights and pass the corresponding resolutions in accordance with the provisions of these Articles and rules herein. The presider of the meeting shall announce the number of shareholders and proxies present at the meeting except related/connected persons and the total number of their voting shares.

No resolution made at the General Meeting on matters relating to related party/connected transactions shall be passed unless approved by more than half of the votes cast by the non-related/non-connected shareholders attending the General Meeting. However, when the related party/connected transaction involves matters that need to be approved by special resolution as stipulated in these Articles and rules herein, the resolution of the General Meeting shall not be passed unless approved by more than 2/3 of the voting rights held by the non-related/connected shareholders attending the General Meeting.



If a related party/connected party or its/his associate participates in voting by ballot in violation of the provisions of this Article, the voting on matters relating to related party/connected transaction shall be invalid.

**Article 83** Except that the Company is in crisis or under other exceptional cases, without the approval by special resolution of the General Meeting, the Company shall not enter into contract with any person other than the directors, managers or other senior management to hand over the administration of all or material business of the Company to such person.

**Article 84** The list of director or supervisor candidates shall be submitted as proposal to the General Meeting for voting.

Cumulative voting system may be implemented when the General Meeting votes for the election of the directors and supervisors in accordance with the provisions of these Articles or the resolution of the General Meeting.

The cumulative voting stated in the preceding paragraph refers to that when the General Meeting elects directors or supervisors, every share has votes as many as the number of the directors or supervisors to be elected, and a shareholder may cast all its/his votes for a single candidate. The Board of Directors shall announce the resumes and basic information of the director and supervisor candidates to the shareholders.

**Article 85** Except for the cumulative voting system, the General Meeting shall vote for all the proposals one by one. In the event that there are different proposals on the same matter, they shall be voted in a chronological order of proposing such proposals. Unless the General Meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused at the General Meeting.

**Article 86** When a proposal is submitted to the General Meeting for discussion, no revision to such proposal shall be made; otherwise, any relevant change will be deemed as a new proposal, which may not be voted at such General Meeting.

**Article 87** A voting right shall be exercised by physical voting, online voting or otherwise. The first voting result shall prevail over repetitious votes for the same voting right.

**Article 88** Before voting on the proposal, the General Meeting shall elect two shareholders' representatives to participate in the counting and supervision of votes. For the related party/connected shareholders having interests in the item to be considered, such shareholders and their proxies shall not participate in vote counting and scrutiny.

When proposals are voted on at the General Meeting, the shareholders' representative, the supervisors' representative and other relevant persons appointed according to the regulatory rules of the place where the shares of the Company are listed shall be jointly responsible for the counting and scrutinizing of the ballots according to the regulatory rules of the place where the shares of the Company are listed, and the voting results on resolution shall be announced on site, and recorded in the minutes.

The shareholders of the Company or their proxies who vote online or otherwise shall be entitled to check and verify their own votes through relevant voting systems.

**Article 89** Onsite voting at the General Meeting shall not be closed earlier than voting online or otherwise. The presider of the meeting shall declare the voting information and result of each proposal and declare whether the proposal is passed or not according to the voting result.

Prior to formal announcement of voting result, the Company, vote counter, scrutineer, substantial shareholders, online service provider and other parties involved in onsite voting, online voting or voting by other means at the General Meeting are obliged to keep confidential the voting information.

**Article 90** Shareholders attending the General Meeting shall express one of the three opinions on the proposal tabled for voting: "For", "Against", and "Abstain", except that the securities depository and clearing institution as the nominal holder of Stock Connect stocks makes declaration based on the declaration of intention of the actual controller.

If the ballot paper is left blank, incorrectly filled in or illegible or not cast, the voter is deemed to have abstained from voting and the voting result of the corresponding voting shares shall be "abstention".

If, under the listing rules of stock exchange on which the shares of the Company are listed, any shareholder is required to abstain from voting on or restricted to vote for or against any individual resolution, any vote cast by such shareholder (or its/his proxy) in violation of such requirement or restriction shall not be counted in the voting results.

**Article 91** If the presider of the meeting has any doubt about the result of a resolution put to the vote, he/she may count the number of votes. If the presider of the meeting fails to count the votes, a Shareholder or proxy attending the meeting who challenges the result announced by the presider of the meeting shall have the right to request counting of votes immediately after such announcement, the presider of the meeting shall immediately count the votes.

**Article 92** Resolutions of the General Meeting shall be announced in due time according to the relevant laws, regulations, departmental rules, regulatory documents, regulatory rules of the place where the shares of the Company are listed or these Articles. The announcement of resolutions shall specify the number of attending shareholders and their proxies, the total number of voting shares they represent and the proportion of these shares to the total number of the voting shares of the Company, the total number of shares required to abstain from voting in the concurring votes and/or voting as requested by the regulatory rules of the place where the shares of the Company are listed (as specific to certain proposals, if any), whether the shareholder who is required to abstain from voting has given up the voting right, the voting method, the voting result of each resolution and the details of each of the resolutions passed.

The Company as a company issuing foreign invested shares listed domestically shall make separate statistics and announcement on the attendance of and votes at the meeting by the holders of domestic shares and holders of foreign invested shares.

**Article 93** Proposals not adopted or resolutions of the former General Meeting changed in this General Meeting shall be specially pointed out in the announcement of resolutions of the General Meeting.

**Article 94** Where a proposal on election of directors or supervisors is passed at the General Meeting, the new directors and supervisors shall take office from the date on which the resolution of the General Meeting is passed.

**Article 95** Where a proposal on distribution of cash dividend, bonus share or capital increase from conversion of capital reserves is passed at a General Meeting, the Company shall implement the specific proposal within two (2) months after the General Meeting ends.

## **Chapter 5 Board of Directors**

### **Section 1 Directors**

**Article 96** A director of the Company shall be a natural person, who will be ineligible if he:

- (1) is incapable or only has restricted capacity of civil conduct;
- (2) is imposed any criminal penalty due to corruption, bribery, embezzlement, appropriation of property or jeopardizing the socialist market economic order, and it is less than five years upon expiry of execution of such penalty, or if he is deprived off the political rights due to committing crime, and it is less than five years upon expiry of execution of such deprival;

- (3) was the director or factory director or manager of any bankrupt and liquidated company or enterprise and he is responsible for the bankruptcy of such company or enterprise, and it is less than three years since the completion of bankruptcy liquidation of such company or enterprise;
- (4) was the legal representative of a company or enterprise which is revoked off its business license or ordered to close down due to violation of laws and he is personally responsible for that, and it is less than three years since the date when such company or enterprise is revoked off its business license;
- (5) has any due and unpaid debt with a relevant large amount;
- (6) is prohibited from entering the securities market by the CSRC and the prohibition period has not yet expired; or
- (7) is under other circumstances as provided by the laws, administrative regulations or departmental rules.

Any election or appointment of director in violation of the provisions of this Article shall be invalid. Where any director has any circumstance described above during his tenure, the Company shall remove him from office.

#### **Article 97**

Directors shall be elected or replaced by the General Meeting, and may be removed from office by ordinary resolution made at the General Meeting before expiry of their tenure (without prejudice to any claim for compensation available under any contract). The tenure of director shall be three years and a director may be re-elected upon expiry of tenure.

Subject to applicable laws and regulations and regulatory rules on listing of companies, the tenure of any new director appointed by the Board of Directors to fill a casual vacancy of the Board of Directors or increase of the number of members of the Board of Directors shall expire at the first annual General Meeting of the Company following his appointment, at which time he shall be eligible for re-election and re-appointment.

The tenure of director shall start from the date of taking office and end on the expiry of the tenure of the current Board of Directors. Where no new director is timely elected when the tenure of a director expires, then, before the new director takes office, the original director shall perform his director duties in accordance with the provisions of the laws, administrative regulations, departmental rules and these Articles.

A director may concurrently hold office as General Manager or other senior management, however, the number of directors concurrently holding office as General Manager or other senior management and directors who are employees' representatives shall not exceed one half of the total number of directors of the Company.

**Article 98**

Directors shall comply with laws, administrative regulations and these Articles and assume the following loyalty duty to the Company:

- (1) not to take any bribery or other illegal income or embezzle the assets of the Company by taking advantage of his position; or
- (2) not to misappropriate any fund of the Company;
- (3) not to deposit funds or assets of the Company in account under his name or the name of others;
- (4) not to provide guarantee for others by property of the Company or lend the funds of the Company to others without consent of the General Meeting or the Board of Directors, in violation of the provisions of these Articles;
- (5) not to enter into any contract or transaction with the Company in violation of the provisions of these Articles or without consent of the General Meeting;
- (6) not to take advantage of his position to seek business opportunity belonging to the Company for himself or others, or to self-operate or operate for others any business similar or identical to the Company, without consent of the General Meeting;
- (7) not to accept and take possession of any commission from transactions between others and the Company;
- (8) not to disclose any secret of the Company without permission;
- (9) not take advantage of its relation/connection to harm the interests of the Company; and
- (10) other loyalty duty as provided in laws, administrative regulations, departmental rules and these Articles.

Any and all proceeds obtained by directors from violation of the provisions of this Article shall belong to the Company; and in case of any loss caused to the Company thereby, such directors shall be liable for compensation.

**Article 99**

Directors shall comply with laws, administrative regulations and these Articles and assume the following diligence duty to the Company:

- (1) diligently, seriously and prudently exercise the rights granted by the Company, so as to ensure the business activities of the Company are in compliance with the requirements of all national laws, administrative regulations and national economic policies, and will not be beyond the business scope as indicated in the business license;

- (2) fairly treat all shareholders;
- (3) keep abreast of the business operation and management situation of the Company;
- (4) execute written confirmation opinions for the regular reports of the Company, and ensure the information disclosed by the Company is authentic, accurate and complete;
- (5) truthfully provide relevant situation and materials to the Board of Supervisors and not to impede the exercise of powers and duties by the Board of Supervisors or supervisors; and
- (6) other diligence duty as provided in laws, administrative regulations, departmental rules and these Articles.

**Article 100** Where a director fails to attend the meeting in person or by director proxy for two consecutive times, he shall be deemed unable to fulfill his duties, in which case, the Board of Directors shall suggest the General Meeting to replace him.

**Article 101** Directors may resign before expiry of their tenure. The resigning director shall submit a written resignation report to the Board of Directors, and the Board of Directors shall disclose relevant situation within two (2) days.

Where any director resigns during his tenure which leads to the number of members of the Board of Directors is below the quorum, then, before the new director takes office, the original Director shall still perform his director duties in accordance with the provisions of the laws, administrative regulations, departmental rules and these Articles.

Except for the circumstance stated in the preceding paragraph, the resignation of a director shall become effective when his resignation report is delivered to the Board of Directors.

**Article 102** Upon effectiveness of resignation or expiry of tenure of a director, he shall complete all hand-over procedures with the Board of Directors, and his loyalty duty to the Company and shareholders will not be terminated as soon as the end of his tenure, and his confidentiality obligations for trade secrets of the Company shall survive the end of his appointment until such secrets become publicly available. The duration of other loyalty duty shall be determined according to the equity principle, taking into account factors such as the nature of the matter, the importance to the Company, the time of impact on the Company and the relationship with such director.

**Article 103** Without the due authorization by the Board of Directors or under these Articles, no director may act for the Company or the Board of Directors in his own name. Where any director acts in his own name but any third party reasonably believes that such director is acting for the Company or the board of director, such director shall first state his stance and status.

**Article 104** Directors who violate the laws, administrative regulations, departmental rules or these Articles when performing their duties for the Company, which causes losses to the Company, shall be liable for compensation.

**Article 105** The Company shall have independent directors, and the qualifications, nomination and election procedures, term of office, resignation, functions and powers of independent directors shall be implemented in accordance with laws, administrative regulations, and relevant rules of the stock exchange.

## **Section 2 Board of Directors**

**Article 106** The Company shall have a Board of Directors, which shall be accountable to and report to the Shareholders' general meeting.

**Article 107** The Board of Directors shall consist of nine (9) directors, including one (1) Chairman. There shall be three independent directors in the Board of the Company, and at least one of them is an accounting professional (who shall be a person with senior job title or certified public accountant qualification).

**Article 108** The Board of Directors shall exercise the following function and powers:

- (1) to convene the General Meetings and report on its work to such General Meeting;
- (2) to implement resolutions passed at the Shareholders' General Meeting;
- (3) to decide on the Company's business plans and investment plans;
- (4) to formulate the Company's annual financial budgets and final accounting plans;
- (5) to formulate the Company's profit distribution proposals and loss recovery proposals;
- (6) to prepare plans on increase or reduction of registered capital of the Company, issuance of bonds or other securities, and listing of the Company;
- (7) to formulate plans for material acquisitions, purchase of shares of the Company, merger, split, dissolution or change of organizational form of the Company;

- (8) to decide on external investment, asset acquisition or disposal, mortgage of assets, external guarantee, entrusted wealth management and related party/connected transactions, donations, etc. of the Company, within the scope of delegation by the General Meeting;
- (9) to approve matters in relation to investment, acquisition or disposal of assets, financing and related party/connected transactions as required to be decided by the Board of Directors under the listing rules of the stock exchange where the shares of the Company are listed;
- (10) to determine on the Company's internal management structure;
- (11) to decide on the appointment or removal of the General Manager, the Secretary to the Board or other senior management of the Company, and their remuneration, rewards and punishments; to decide on the employment or dismissal of the deputy general manager, CFO, and other senior management of the Company according to the nomination of the General Manager, and their remuneration, rewards and punishments;
- (12) to formulate the Company's basic management system;
- (13) to formulate proposals for amendments to the Articles of Association;
- (14) to manage information disclosures of the Company;
- (15) to propose to the General Meeting to engage or replace the accounting firm which provides audit services to the Company;
- (16) to listen to work reports presented by the General Manager of the Company and inspect the work of the General Manager; and
- (17) to exercise other functions and powers as stipulated by laws, administrative regulations, department rules, regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

For the previous resolutions made by the Board, except for Items (6), (7), (13) and other matters which shall be passed by the affirmative vote of more than two-thirds of all directors as provided by laws, administrative regulations, departmental rules, listing rules of the stock exchange in the place where the stocks of the Company are listed and the Articles of Association, the rest shall be approved by more than one half of the directors.

Matters beyond the scope of authorization of the general meeting to the Board shall be submitted to the general meeting for consideration.



The Board of Directors of the Company may establish four special committees, namely the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee, and the Strategy Committee. These special committees shall be accountable to the Board of Directors, and fulfill their duties according to these Articles and within the scope of delegation by the Board of Directors, submit proposals to the Board of Directors for consideration and decision. All members of the special committees shall be directors, among which, more than one half of the members of Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee shall be independent directors, who shall act as convener (and chairperson) of the meetings thereof, while the convener (and chairperson) of the Audit Committee shall be accounting professional. The Board of Directors shall be responsible for formulating the work rules for special committees, and regulating the operation of special committees.

**Article 109** The Board of the Company shall make explanations to the General Meeting with respect to the modified audit opinions issued by the engaged certified public accountant(s) for the financial report of the Company.

**Article 110** The Board of Directors shall formulate the rules of procedures for the Board of Directors so as to ensure the Board of Directors will implement resolutions of the General Meeting, improve work efficiency and guarantee scientific decision-making.

**Article 111** The Board shall determine the authority relating to external investment, acquisition and disposal of assets, asset mortgage, external guarantee, entrusted wealth management, related party transactions and donations, and shall establish strict examination and decision making procedure; and in case of material investment projects, organize relevant experts and professionals to make assessments and report to the General Meeting for approval.

**Article 112** Any transaction of the Company set forth in paragraph (3) of Article 198 hereof (except for guarantee) shall be submitted to the Board Meeting for consideration, if:

- (1) the total assets involved in the transaction account for more than 10% of the Company's latest audited total assets, and if the total assets involved in the transaction have both net asset value and assessed value, the higher one shall be taken as the calculation data;
- (2) the transaction amount accounts for more than 10% of the Company's market value;
- (3) the net assets of the object of transaction (such as equity) in the latest accounting year account for more than 10% of the Company's market value;

- (4) the relevant operating income of the object of transaction (such as equity) in the latest accounting year accounts for more than 10% of the audited operating income of the Company in the latest accounting year, and the absolute amount thereof exceeds CNY10 million;
- (5) the profits from the transaction account for more than 10% of the audited net profits of the Company in the latest accounting year, and the absolute amount thereof exceeds CNY1 million; or
- (6) the relevant net profit of the object of transaction (such as equity) in the latest accounting year accounts for more than 10% of the audited net profit of the Company in the latest accounting year, and the absolute amount thereof exceeds CNY1 million.

If any data value as involved in the calculation of indicator set forth in the preceding paragraph is negative, the absolute value thereof shall apply.

Any transaction of the Company set forth in this Article, after discussed and approved by the Board of Directors, shall be submitted to the General Meeting for consideration if it meets any standard provided in Article 44 hereof.

The transaction amount stipulated in this Article refers to the amount paid for the transaction and the liabilities and expenses assumed, etc. If the transaction arrangement involves possible future payment or receipt of consideration, without a specific amount or with an amount to be determined according to the set conditions, the expected maximum amount will be the transaction amount.

The market value stipulated in this Article refers to the arithmetic mean of the closing market value for the 10 trading days prior to the transaction.

If the Company implements a transaction by installments, the provisions of this Article shall be applied on the basis of the total amount of the transaction. The Company shall disclose the actual occurrence of the installment transactions in a timely manner.

If the Company and the same counterparty have transactions set forth in paragraph (3) of Article 198 hereof of the same type and in opposite directions at the same time, this Article shall be applied according to the unidirectional amount thereof.

Except for the provision of guarantees, entrusted wealth management, etc. which are otherwise provided herein, if the Company conducts the same type of transactions set forth in paragraph (3) of Article 198 hereof in connection with a target, this Article shall be applied based on the principle of accumulative calculation for 12 consecutive months. If the obligations have been performed in accordance with this Article and Article 44 hereof, they are no longer included in the relevant cumulative calculation.

If the Company has an equity transaction that results in a change in the scope of the Company's consolidated financial statements, this Article shall apply, by taking the relevant financial indicators of the Company to which the equity interest relates as the basis for calculation, and. If the aforementioned equity transaction does not result in a change in the scope of the consolidated financial statements, this Article shall apply, by taking the relevant financial indicators calculated in proportion to the change in the Company's shareholding.

If the Company provides the financial assistance, this Article shall apply, by taking the amount of the financial assistance as the transaction amount.

If the Company has entrusted wealth management on a rolling basis for 12 consecutive months, this Article shall apply, by taking the highest balance for that period as the transaction amount.

**Article 113** Any transaction within the scope of daily operations of the Company shall be submitted to the Board of Directors for consideration if:

- (1) the total assets involved in the transaction account for more than 50% of the Company's total assets audited in the latest period, and the absolute amount exceeds CNY100 million;
- (2) the transaction account accounts for more than 50% of the audited operating income or the operating cost of the Company in the latest accounting year, and exceeds CNY100 million;
- (3) the profits from the transaction account for more than 50% of the audited net profit of the Company in the latest accounting year, and exceed CNY5 million; or
- (4) other transactions that may have a material impact on the Company's assets, liabilities, equities and operating results.

Before the Company makes any profit, the net profit indicator stipulated in this Article and Article 112 hereof shall not be applied.

**Article 114** Any guarantee to be provided by the Company shall be submitted to the Board of Directors for consideration, and shall be submitted to the General Meeting for consideration after discussed and approved by the Board of Directors, if it meets any standard provided in Article 43 hereof.

In addition to the approval of a majority of all directors, any guarantee submitted to the Board of Directors for consideration must also be approved by more than two thirds of the directors present at the meeting of the Board of Directors.

**Article 115** Any connection transaction between the Company and the connected party shall be submitted to the Board of Directors for consideration if it meets the standard set forth in the HKEX Listing Rules.

**Article 116** The Board of Directors shall have a Chairman. The Chairman of the Board of Directors shall be elected by a majority of all directors of the Board of Directors.

**Article 117** The chairman of the Board of Directors shall exercise the following functions and powers:

- (1) to preside over Shareholders' general meetings and convene and chair over the meetings of the Board of Directors;
- (2) to urge and inspect the implementation of resolutions adopted by the Board of Directors;
- (3) other duties and powers as delegated by the Board of Directors or conferred by the regulatory rules of the place where the shares of the Company are listed.

In the event that the chairman is incapable of performing his/her duties, a director jointly selected by more than one half of the directors shall perform such duties.

**Article 118** The meetings of the Board of Directors shall include regular meetings and extraordinary meetings.

Meetings of the Board of Directors shall be regularly convened by the chairman at least four times a year. All Directors and Supervisors shall be notified in writing 14 days before such meetings.

The shareholder(s) representing more than one tenth of the voting rights, more than one third of the directors, more than one half of the independent directors, the Board of Supervisors, the Chairman or the General Manager may requisition to convene an extraordinary meeting of the Board of Directors. The chairman shall convene and preside over such meetings of the Board of Directors within 10 days after receiving such proposal.

The notice of an extraordinary meeting of the Board of Directors shall be given to all directors and supervisors three days before the meeting. The time limit restriction for meeting notice set forth in the preceding paragraph may not apply to any urgent situation which requires the convention of an extraordinary meeting of the Board of Directors as soon as possible.

Notice of meetings of the Board of Directors shall be given in writing, by personal delivery, facsimile, electronic mail or in such other manner as may be provided for in these Articles.

In case of emergency where an interim meeting of the Board of Directors shall be convened as soon as possible, a notice of such meeting may be given at any time by phone or other oral means, but the convener shall make an explanation at the meeting.

**Article 119** The notice of meeting of the Board of Directors shall at least contain:

- (1) date and place of the meeting;
- (2) duration of the meeting;
- (3) reasons and details of the matter(s) to be discussed; and
- (4) date of issuance of notice.

**Article 120** Meeting of the Board of Directors may be held only if more than half of the directors are present.

Each Director shall have one vote during the voting on resolutions of the Board of Directors. Unless otherwise required by laws, administrative regulations and the Articles of Association, resolutions of the Board of Directors shall be passed by more than half of all Directors.

No director, who has relation/connection with the enterprise involved in a resolution submitted to the meeting of the Board of Directors for consideration and voting, may exercise voting rights over such resolution for his own account or on behalf of other director. Such a meeting of the Board of Directors may be held in the presence of a majority of the non-related/non-connected directors and a resolution passed at a meeting of the Board of Directors shall require the approval of a majority of the non-related/non-connected directors. If the number of non-related/non-connected directors attending the meeting of the Board of Directors is less than 3, the issue shall be submitted to the General Meeting for consideration.

**Article 121** Voting at meetings of the Board of Directors shall be conducted by disclosed ballot or show of hands.

Meetings of the Board of Directors may be held and voting thereat can be conducted by physical meeting, or means of communication, or a combination of both.

Subject to full expression of opinions by the directors, an extraordinary meeting of the Board of Directors may be held and adopt resolution by circulation of a written resolution or otherwise, and the present directors shall sign on the resolution documents.

**Article 122** The Directors shall attend in person the meetings of the Board of Directors. Where any Director is unable to attend the meeting for a certain reason, he/she may appoint other directors in writing to attend on their behalf, by a form of proxy which shall state the name of proxy, agency matters, and scope and term of authority, and shall be signed or sealed by the appointing director.

A Director appointed as a representative of another Director to attend the meeting shall exercise the rights of a Director within the scope of authority conferred by the appointing Director. Where a Director is unable to attend a meeting of the Board of Directors, and has not appointed a representative to attend such meeting on his/her behalf, he/she shall be deemed to have waived his/her right to vote at the meeting.

**Article 123** The Board of Directors shall prepare minutes regarding the resolutions on the matters discussed at the meeting, and all directors attending the meeting and the recorder shall sign on such minutes.

If a resolution of the Board of Directors violates law, administrative regulations or the Articles of Association, and the Company suffers serious losses as a result thereof, the Directors who participated in the passing of such resolution shall compensate the Company therefor. However, if it can be proven that a Director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such Director shall be released from such liability.

The minutes of the meeting of the Board of Directors shall be kept as archives of the Company for at least ten (10) years.

**Article 124** The minutes of the meetings of the Board of Directors shall contain:

- (1) the date and place of the meeting and the name of the convener;
- (2) the names of the directors present and the names of those directors (proxies) who are appointed by others to attend the meeting of the Board of Directors;
- (3) the agenda of the meeting;
- (4) speech points of the directors;
- (5) voting method and results for each resolution (the voting result shall specify the number of votes for and against the proposal or abstention); and
- (6) other matters that the attending directors consider necessary.

## **Chapter 6 The General Manager and Other Senior Management of the Company**

**Article 125** The Company shall have one General Manager, who will be appointed or removed by the Board of Directors.

The Company shall have several Deputy General Managers, who will be employed or dismissed by the Board of Directors.

The General Manager, Deputy General Managers, Secretary to the Board of Directors, CFO and other managerial personnel employed by the Board of Directors other than the Representative of Securities Affairs, shall be senior management of the Company.

**Article 126** The circumstances set forth in Article 96 hereof whereby a person is prohibited from acting as a director shall also apply to senior management.

The loyalty duty of directors as provided in Article 98 hereof and the diligence duty as provide in Paragraphs (4) to (6) of Article 99 hereof shall also apply to senior management.

**Article 127** Persons who hold administrative positions other than director and supervisor in the controlling shareholder of the Company shall not serve as senior management of the Company.

The senior management of the Company shall only receive salaries from the Company, instead of being paid by the controlling shareholders on behalf of the Company.

No financial personnel of the Company shall work part-time in the controlling shareholder, actual controllers and other enterprises controlled by them.

**Article 128** The tenure of the General Manager shall be three years. Upon expiry of the tenure, the General Manager may be re-appointed.

**Article 129** The General Manager shall be accountable to the Board of Directors and exercise the following duties and powers:

- (1) to lead the production, operation and management work of the Company and to organize the implementation of resolutions of the Board of Directors, and report his work to the Board of Directors;
- (2) to organize the implementation of the annual operation plans and investment plans of the Company;
- (3) to draft the plans for the set-up of the internal management bodies of the Company;

- (4) to draft the basic management policies of the Company;
- (5) to formulate the specific rules and regulations for the Company;
- (6) to propose the hiring or dismissal of the Deputy General Managers, the CFO or other senior management of the Company;
- (7) to hire or dismiss responsible managerial personnel other than those who shall be hired or dismissed by the Board of Directors;
- (8) other powers granted herein or delegated by the Board of Directors.

**Article 130** The General Manager of the Company may attend the meetings of the Board of Directors without voting powers.

**Article 131** The General Manager shall formulate work rules of the General Manager, which shall be implemented after approval by the Board of Directors.

**Article 132** The work rules of the General Manager shall contain:

- (1) the conditions and procedures for convention of and participants of the meeting of General Manager;
- (2) the respective specific duties and division of labor of the General Manager and other senior management;
- (3) the application of funds and assets of the Company, the power to execute material contracts and the system of reporting to the Board of Directors and the Supervisory Committee; and
- (4) other matters as may be deemed necessary by the Board of Directors.

**Article 133** The General Manager may resign before expiry of his tenure. The specific procedures and methods for resignation by the General Manager shall be subject to the labor contract between the General Manager and the Company.

**Article 134** The Deputy General Manager of the Company shall be nominated by the General Manager and decided by the Board, and shall help the General Manager with corporate affairs.

**Article 135** The Company shall have a Secretary to the Board of Directors who will be responsible for the preparation of the General Meetings and the meetings of the Board of Directors, document retention and the management of information of shareholders of the Company, and the handling of information disclosure. The Secretary to the Board of Directors shall comply with laws, administrative regulations, departmental rules and these Articles.



The Secretary to the Board of Directors of the Company must be a natural person with required professional knowledge and experience, who will be nominated by the Chairman, and appointed or removed by decision of the Board of Directors after the review by the Nomination Committee of the Board of Directors.

**Article 136** Senior management who violate the laws, administrative regulations, departmental rules or these Articles when performing their duties for the Company, which causes losses to the Company, shall be liable for compensation.

**Article 137** Senior management of the Company shall dutifully perform their duties and safeguard the best interests of the Company and all shareholders. Any senior management of the Company who causes any damage to the interests of the Company and shareholders of public shares due to his failure to dutifully perform his duties or breach of fiduciary duty shall be liable for compensation according to laws.

## **Chapter 7 Supervisory Committee**

### **Section 1 Supervisors**

**Article 138** The circumstances set forth in Article 96 hereof whereby a person is prohibited from acting as a director shall also apply to supervisors.

No director, General Manager or other senior management may concurrently hold office as supervisors.

**Article 139** Supervisors shall comply with the laws, administrative regulations and these Articles, and assume the loyalty duty and the diligence duty to the Company, and shall not take advantage of their positions to take bribery or other illegal gains or embezzle the assets of the Company.

**Article 140** The tenure of supervisors shall be three (3) years. Upon expiry of the tenure, a supervisor may be re-elected.

**Article 141** Where no new supervisor is timely elected when the tenure of a supervisor expires, or where any supervisor resigns during his tenure which leads to the number of members of the Supervisory Committee is below the quorum, then, before the new supervisor takes office, the original supervisor shall still perform his supervisor duties in accordance with the provisions of the laws, administrative regulations and these Articles.

**Article 142** Supervisors shall ensure the information disclosed by the Company is authentic, accurate and complete, and sign on written confirmation opinions of the regular reports.

**Article 143** Supervisors may attend the meeting of the Board of Directors without voting rights, and make inquiries or suggestions on matters to be resolved by the Board of Directors.

**Article 144** No supervisor may take advantage of his relation/connection to damage the interests of the Company. In case of any loss to the Company caused thereby, such supervisor shall be liable for compensation.

**Article 145** Supervisors who violate the laws, administrative regulations, departmental rules or these Articles when performing their duties for the Company, which causes losses to the Company, shall be liable for compensation.

## **Section 2 Supervisory Committee**

**Article 146** The Company shall have a Supervisory Committee.

The Supervisory Committee shall consist of three (3) supervisors, including two shareholder's representatives and one employees' representative. The Supervisory Committee has one chairman.

Appointment or removal of the chairman of the Supervisory Committee shall be approved by affirmative votes of more than two members of Supervisory Committee. The chairman of the Supervisory Committee shall convene and preside over the meeting of the Supervisory Committee; where the chairman of the Supervisory Committee is unable or fails to perform his duties, a supervisor jointly selected by a majority vote of supervisors shall convene and preside over the meeting of the Supervisory Committee.

The Supervisory Committee shall include shareholder's representatives and employees' representatives of the Company of an appropriate proportion, among which, the proportion of the employees' representative supervisors shall not fall below one-third of the total number of the members of the Supervisory Committee. Supervisors in the Supervisory Committee who are not employees' representatives shall be elected and removed at the General Meeting while employees' representative supervisors shall be elected and removed at the employee representative congress or the assembly of staff or otherwise democratically.

**Article 147** The Supervisory Committee shall be accountable to the Shareholders' general meeting, and exercise the following functions and powers:

- (1) to inspect the financial affairs of the Company;
- (2) to supervise fulfillment by the directors and senior management of their respective duties in the Company and propose the removal of any director or senior management who violates any laws, administrative regulations, these Articles or resolutions of the General Meeting;

- (3) to require the Directors, general manager and other senior management of the Company to correct an act which is harmful to the interests of the Company;
- (4) to propose the convention of an extraordinary General Meeting, and convene and preside over the General Meeting when the Board of Directors does not perform its duties to convene and preside over the General Meeting as provided in the Company Law;
- (5) to make proposals to the General Meetings;
- (6) to examine and put forward written examination opinions on the regular reports of the Company prepared by the Board of Directors;
- (7) to initiate any action against a director or senior management in accordance with Article 151 of the Company Law;
- (8) to conduct investigation against any unusual circumstances in the Company's operations; if necessary, to engage an accounting firm, law firm or other professional agency to assist in its work at the costs of the Company;
- (9) to exercise other functions and powers as specified by the laws, administrative regulations and the Articles of Association.

**Article 148** The meetings of the Supervisory Committee shall include regular meetings and extraordinary meetings. The Supervisory Committee shall hold one regular meeting every six months and at least two regular meetings every year. Regular meetings shall be convened by the chairman of the Supervisory Committee. A supervisor may propose to convene an extraordinary Supervisory Committee meeting.

For convening the regular meetings and extraordinary meetings of the Supervisory Committee, the meeting notice shall be given to all supervisors 10 days and 3 days in advance respectively. The time limit restriction set forth in the preceding paragraph shall not apply to the giving of meeting notice in case of urgent situation which requires the convention of an extraordinary meeting of the Supervisory Committee as soon as possible.

Meetings of the Supervisory Committee shall be held at the domicile of the Company as a general rule, and may be held in other places within the territory of China if approved by resolution of the Supervisory Committee.

**Article 149** The Supervisory Committee shall formulate the rules of procedures for the Supervisory Committee, specifying the discussion methods and voting procedures of the Supervisory Committee, so as to ensure the working efficiency and scientific decision-making of the Supervisory Committee.

**Article 150** The notice of meeting of the Supervisory Committee shall contain:

- (1) the date, place and duration of the meeting;
- (2) reasons and details of the matter(s) to be discussed;
- (3) the issuance date of notice.

**Article 151** Meetings of the Supervisory Committee may be held and voting can be conducted by physical meetings or means of communication or a combination of both.

Each supervisor shall have one vote. Supervisors shall attend the Supervisory Committee meetings in person. Where any supervisor cannot attend the meeting of the Supervisory Committee for cause, he may appoint other supervisor in writing to attend on his behalf, by a form of proxy which shall state the name of proxy, agency matters, and scope and term of authority, and shall be signed or sealed by the appointing supervisor. The proxy supervisor present at the meeting shall exercise the rights of supervisor within the scope of authority.

Resolution of the Supervisory Committee shall be adopted by affirmative votes of more than two-thirds (inclusive) of the members of the Supervisory Committee.

The Supervisory Committee shall make minutes for all decisions of the deliberated matters, and all supervisors attending the meeting shall sign on such minutes.

Supervisors may require to record some of their speech made on the meeting as some kind of illustration record. The minutes of the meeting of the Supervisory Committee shall be kept as archives of the Company for at least ten (10) years.

## **Chapter 8 Financial and Accounting Systems, Distribution of Profits and Audit**

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

**Article 152** The Company shall formulate its financial and accounting systems in accordance with the laws, administrative regulations and rules of relevant departments of the State.

Any other requirements of the securities regulatory authority at the place where the shares of the Company are listed shall prevail.

**Article 153** The financial statements of the Company shall be prepared in accordance with the PRC accounting standards and regulations, and at the same time in compliance with international accounting standards or those of the overseas place where the Shares are listed. If there is any material difference between the financial statements prepared in accordance with the two accounting standards, such difference shall be stated in the notes to the financial statements. When the Company is to distribute its after-tax profits of a relevant fiscal year, the lower of the after-tax profits as shown in such two financial statements shall prevail.

**Article 154** Interim results or financial information published or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations, and at the same time in compliance with international accounting standards or those of the overseas place where the Shares are listed.

**Article 155** The Company shall publish two financial reports in each accounting year, meaning that the interim financial report shall be published within sixty (60) days after the end of the first six (6) months of the accounting year and the annual financial report shall be published within one hundred and twenty (120) days after the end of the accounting year.

Such annual, interim reports shall be prepared in accordance with relevant laws, administrative regulations, rules of the securities regulatory authorities and stock exchange of the place where the shares of the Company are listed.

**Article 156** The Company shall have no other accounting books except the statutory accounting books. Its assets shall not be deposited in any accounts opened in the name of any individual.

**Article 157** The Company shall appropriate 10% of the profits to the statutory reserves of the Company when distributing the after-tax profit of the year. Where the cumulative amount of the statutory reserves of the Company has reached more than 50% of registered capital of the Company, such appropriation may stop.

Where the statutory reserves of the Company are insufficient to cover its losses in previous years, the profits of the year shall be first used to make up such losses before appropriation to statutory reserves as aforesaid.

**Article 158** The Company may, after appropriating after-tax profit to the statutory reserves and upon resolution of the General Meeting, appropriate after-tax profit to discretionary reserve.

The remaining after-tax profits after making up losses and appropriation to reserves shall be distributed to shareholders in proportion to their shareholding percentage, unless distributed otherwise as provided herein.

Where the General Meeting distributes profits to shareholders before making up losses of the Company and appropriating to statutory reserves in breach of the preceding paragraph, shareholders must return the profits so distributed to the Company.

Shares in the Company held by itself are not entitled to profit distribution.

**Article 159** Dividends paid by the Company shall not carry any interest except where the Company has failed to pay the dividends to the shareholders on the date on which such dividends become payable.

**Article 160** The reserves of the Company shall only be used for the following purposes:

- (1) to make up for losses;
- (2) to expand the Company's production and operation;
- (3) to convert into additional capital of the Company.

However, no capital reserves shall be used for making up losses of the Company.

When the statutory reserve is converted into capital, the balance of such reserve shall not fall below 25% of the registered capital of the Company before such conversion.

**Article 161** Upon decision on the profit distribution plan by the General Meeting of the Company, the Board of Directors of the Company must complete the distribution of dividends (or shares) within two (2) months upon convention of the General Meeting.

**Article 162** The profit allocation policy of the Company is specifically as follows:

The Company implements a continuous and stable profit distribution policy, whereby the Company's profit distribution should focus on reasonable investment returns to investors and also take into account the Company's sustainable development. The Board of Directors and the General Meeting of the Company shall fully listen to the opinions of independent directors and minority shareholders through various channels when deciding on and discussing the profit distribution policy.

The Company may distribute dividends by means of cash, stocks or the combination thereof. The Company shall distribute dividends in cash on a priority basis, and will actively distribute profits by means of cash dividend subject to satisfaction of the capital requirements of the Company for normal operation.

**Article 163** The Company shall appoint the receiving agent(s) for holders of the overseas-listed foreign shares. Such receiving agent(s) shall receive dividends which have been declared by the Company and all other amounts which the Company shall pay to the holders of the overseas – listed foreign shares on such shareholders’ behalf. Such amounts shall be kept by the receiving agent(s) on such shareholders’ behalf pending for paying such amounts to them.

The receiving agents appointed by the Company shall comply with relevant provisions of the laws or the stock exchange where the Shares are listed.

The receiving agents appointed for holders of overseas listed foreign shares listed in Hong Kong Stock Exchange shall each be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

**Article 164** Subject to relevant laws, regulations, regulatory documents and relevant regulations of the securities regulatory authority at the place where the shares of the Company are listed, the Company shall have the right to confiscate any unclaimed dividends, provided that such right may only be exercised after the relevant applicable limitation period expires.

## **Section 2 Internal Audit**

**Article 165** The Company implements internal audit system, and is equipped with full-time auditor to conduct internal audit and supervision over the financial payments and receipts and economic activities of the Company.

**Article 166** The internal audit system of the Company and the duties of auditor shall be implemented upon approval by the Board of Directors. The person in charge of audit shall be accountable to the Board of Directors and report to the Board of Directors.

## **Section 3 Engagement of Accounting Firm**

**Article 167** The Company shall engage an accounting firm in compliance with the Securities Law to conduct accounting statements audit, net assets verification and other related consulting services for a term of one year, which may be renewed.

**Article 168** The engagement of the accounting firm by the Company shall be decided by the General Meeting, and the Board of Directors may not appoint the accounting firm until it is decided by the General Meeting.

**Article 169** The Company ensures to provide authentic and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the engaged accounting firm, without withholding, concealment or falsification.

**Article 170** The audit fee of the accounting firm shall be decided by an ordinary resolution made at the General Meeting.

**Article 171** Prior to the removal or the non-reappointment of an accounting firm, a 30-day prior notice of such removal or non-reappointment shall be given to the accounting firm concerned and such firm shall be allowed to present and express its opinions when the General Meeting of the Company is voting on dismissal of the accounting firm.

Where the accounting firm resigns from its post, it shall make clear to the Shareholders' general meeting whether there has been any impropriety on the part of the Company.

## **Chapter 9 Merger, Division, Capital Increase, Capital Reduction, Dissolution and Liquidation**

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

**Article 172** Companies may merge through merger by absorption or through the establishment of a newly merged entity.

A merger by absorption is that a company absorbs another company and the absorbed company is dissolved. A merger by consolidation is more than two companies are consolidated to establish a new company, and the merging parties are dissolved.

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within 10 days after the date of the Company's resolution on merger and shall make newspaper announcement within thirty (30) days after the date of the Company's resolution on merger. Creditors may demand the Company to repay debts or provide corresponding security within 30 days upon receipt of such notice or 45 days from the date of announcement in case of receiving no such notice.

Upon the merger, claims and liabilities of parties to the merger shall be taken over by the continuing company or the newly established company.

**Article 173** When the Company is divided, its assets shall be split accordingly.

In the event of a division of the Company, the Company shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten (10) days after the date of the Company's resolution on division and shall make newspaper announcements within thirty (30) days after the date of the Company's resolution on division.



The companies established upon split shall be jointly and severally liable for the debts of the Company before the split, except as otherwise provided in the writing agreement on debt service entered into between the Company and its creditors before the split.

**Article 174** The Company must prepare a balance sheet and an inventory of assets when it intends to reduce its registered capital.

The Company shall notify the creditors within ten (10) days upon its resolution on reduction of registered capital and make announcement thereof on the newspaper within thirty (30) days. Creditors may demand the Company to repay debts or provide corresponding security within thirty (30) days upon receipt of such notice or forty-five (45) days from the date of announcement in case of receiving no such notice.

The registered capital of the Company upon capital reduction shall not fall below the statutory minimum amount.

**Article 175** When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with the laws. When the Company is dissolved, the Company shall cancel its registration in accordance with the laws. When a new company is established, its establishment shall be registered in accordance with the laws.

In case of increase or reduction of registered capital of the Company, the Company shall legally complete the formalities for change registration with the registration authority of the Company.

## **Section 2 Dissolution and Liquidation**

**Article 176** The Company shall be dissolved if:

- (1) where the term of operation expires as stipulated in the Articles of Association or other reasons for dissolution as stipulated in the Articles of Association occur;
- (2) where the general meeting dissolves the Company with special resolution;
- (3) where dissolution is required for the purpose of merger or division of the Company;
- (4) where the Company is legally declared bankrupt due to its inability to repay the debts as they fall due;
- (5) where the Company is revoked off its business license, ordered to close or canceled according to the laws; or

(VI) where the Company runs into difficulties in operation and management, its continuous existence may cause heavy losses to the Shareholders' interests, and such difficulties may not be dealt with in other ways, the Shareholders holding more than 10% of the total number of Shares carrying voting rights may apply to the court to dissolve the Company.

**Article 177** Where the Company is under the circumstance set forth in Item (1) in the preceding paragraph, the Company may continue its operation by means of amending these Articles.

Any amendment to these Articles according to the preceding paragraph shall be approved by more than two thirds of the voting powers of the shareholders present at the General Meeting.

**Article 178** Where the Company is dissolved in accordance with the provisions of Item (1), (2), (5) or (6) of Article 176 hereof, a liquidation team shall be established within fifteen (15) days upon occurrence of the dissolution cause to start liquidation of the Company. The liquidation team shall consist of directors or any other individuals appointed by the General Meeting. In the event that no liquidation team is established within such period to carry out liquidation, the creditor(s) may apply to the people's court to designate relevant persons to form a liquidation team to carry out liquidation.

In the event that the Company is dissolved in accordance with the provision set forth in Item (4) of Article 176 hereof, the people's court shall organize the Shareholders, the related authorities and related professionals to form a liquidation team to carry out liquidation pursuant to provisions of relevant laws.

**Article 179** The liquidation team shall, within 10 days of its establishment, send notices to creditors, and shall, within 60 days of its establishment, publish an announcement in newspapers. The creditors shall, within 30 days of receipt of the notice, or for those who have not personally received such notice, within 45 days of the date of announcement, claim their rights to the liquidation team. The liquidation team shall carry out registration of the rights.

In claiming its rights, the creditor shall explain the relevant matters and provide supporting materials in respect thereof. The liquidation team shall carry out registration of the rights.

In the course of claiming of creditor's rights, the liquidation team shall not make any payment to the creditors.

**Article 180** The liquidation team shall exercise the following powers during the liquidation:

(I) to handle the Company's assets and to prepare a balance sheet and an inventory of the assets, respectively;

- (II) to notify creditors through notice or public announcement;
- (III) to deal with the Company's outstanding business related to liquidation;
- (IV) to pay any tax overdue as well as tax arising from the process of liquidation;
- (V) to claim credits and pay off debts;
- (VI) to handle the Company's remaining assets after its debts have been paid off;
- (VII) to represent the Company in civil lawsuits.

**Article 181** After sorting out the assets of the Company and preparing the balance sheet and an inventory of assets, the liquidation team shall formulate a liquidation proposal and present it to the general meeting or the people's court for confirmation.

Any surplus assets of the Company remaining after paying the liquidation fee, wages of the employees, social insurance contributions and statutory compensations as well as the owed taxes and discharging the debts of the Company, shall be distributed to the shareholders in proportion to their shareholding percentage.

The Company shall continue to exist during the liquidation period, but shall not engage in any operation activities that are not related to the liquidation. No allocation shall be made to shareholders until the assets of the Company are discharged in accordance with the provisions set forth in the foregoing paragraph.

**Article 182** Where the liquidation team discovers that the assets of the Company are insufficient to pay all debts after sorting out the assets of the Company and preparing the balance sheet and an inventory of assets, it shall legally apply to the people's court to declare insolvency.

After the Company is declared insolvent by ruling of the people's court, the liquidation team shall transfer matters arising from the liquidation to the people's court.

**Article 183** Following the completion of liquidation of the Company, the liquidation team shall prepare and send a liquidation report to the General Meeting or the people's court for confirmation, and then submit the same to the registration authority of the Company to apply for cancellation of registration of the Company and publish an announcement relating to the termination of the Company.

**Article 184** Members of the liquidation team shall faithfully perform their duties and carry out their liquidation obligations in accordance with the laws.

No members of the liquidation team may take any bribery or other illegal income or embezzle the assets of the Company by taking advantage of their position.

Where the members of the liquidation team cause any loss to the Company or the creditors, intentionally or due to gross negligence, such members shall be liable for compensation.

**Article 185** Where the Company is legally declared bankrupt, the bankruptcy liquidation shall be carried out in accordance with applicable laws on business bankruptcy.

## **Chapter 10 Amendments to the Articles of Association**

**Article 186** The Company may amend the Articles of Association in accordance with the requirements of laws, administrative regulations and the Articles of Association.

**Article 187** The Company shall amend these Articles if:

- (1) the matters provided in these Articles conflict with any provision of the amended version of the Company Law or other applicable laws or administrative regulations;
- (2) the situation of the Company changes, which is inconsistent with those stated herein; or
- (3) the General Meeting decides by special resolution to amend these Articles.

**Article 188** Where any amendment to these Articles adopted by the resolution of General Meeting requires approval from the competent authority, such amendment shall be reported to the competent authority for approval; in relation to matters involving the Company's registration, its registration with the authority must also be changed in accordance with the law.

The Board of Directors shall amend these Articles in accordance with the resolution of General Meeting on amendment of these Articles and the approval opinions of relevant competent authority.

**Article 189** Where the amendment to these Articles involves any information required to be disclosed by laws and regulations, announcement shall be made according to the regulations.

## Chapter 11 Dispute Resolution

**Article 190** The Company complies with the following principles for dispute resolution:

- (I) Any dispute or claim arising between the shareholders of overseas listed foreign shares and the Company; Shareholders of overseas listed foreign Shares and the Directors, Supervisors, general manager or other senior management of the Company; Shareholders of overseas listed foreign Shares and Shareholders of Domestic Shares, in respect of any rights or obligations arising from the Articles of Association, the Company Law and other relevant laws and administrative regulations concerning the affairs of the Company shall be submitted by the abovementioned party for arbitration.

When the aforesaid dispute or claim is submitted for arbitration, the entire claim or dispute shall be referred to arbitration. Those who have a cause of action based on the same facts or who is required in the settlement of the dispute or claim, shall, where such person is the Company or its Shareholder, a Director, Supervisor, general manager and other senior management of the Company, comply with the arbitration.

Disputes relating to the definition of Shareholders and register of members may be resolved without arbitration.

- (II) The claimant may choose for arbitration to be conducted at either the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules, or the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. Once the claimant submits a dispute or claim to arbitration, the other party must conduct arbitration at the arbitral body chosen by the claimant.

If a claimant chooses for arbitration to be conducted at the Hong Kong International Arbitration Centre, either party may apply for a hearing to take place in Shenzhen in accordance with the securities arbitration rules of the Hong Kong International Arbitration Centre.

- (III) The PRC laws shall apply to the settlement of disputes or claims arising from item (I) above by way of arbitration; except where otherwise provided by laws or administrative Regulations.
- (IV) The award of the arbitral body shall be final and conclusive and binding on all parties.

## Chapter 12 Notice and Announcement

### Section 1 Notice

**Article 191** A notice of the Company shall be delivered by:

- (1) hand;
- (2) mail;
- (3) facsimile or email;
- (4) publication on the website designated by the Company and the website designated by the stock exchange where the shares of the Company are listed, subject to the compliance with laws, administrative regulations and listing rules of the stock exchange where the shares of the Company are listed;
- (5) public announcements;
- (6) other means agreed in advance between the Company and the recipient or such other approved means as notified to the recipient;
- (7) any other means approved by the regulatory authority of the place where the Shares of the Company are listed or provided in the Articles of Association.

If the notice issued by the Company is given by announcement, then once announced, all relevant personnel shall be deemed to have received the notice. Any other requirements of the securities regulatory authority at the place where the shares of the Company are listed shall prevail.

As far as the manner in which the Company provides or sends corporate communications to shareholders holding overseas listed shares in accordance with the requirements of the HKEX Listing Rules is concerned, the Company may opt to issue the corporate communications in the form of notice specified in Paragraph (4) of this Article, provided that it complies with the relevant requirements of the securities regulatory authority at the place where the Company's shares are listed, in lieu of sending written documents to each shareholder holding overseas listed shares by personal delivery or by postage prepaid mail. The term "corporate communication" above shall mean any document issued or to be issued by the Company for shareholders' reference or action, including but not limited to annual reports (including annual financial reports), interim reports (including interim financial reports), board reports (together with balance sheets and income statements), notices of General Meetings, circulars and other communication documents.

- Article 192** Unless the Articles of Association otherwise requires, the requirements of the preceding article in relation to the manners of notice are applicable to the notices convening Shareholders' general meetings, Board meetings and meetings of the Supervisory Committee by the Company.
- Article 193** For notice served by hand, the receiver shall sign (or seal) on the reply slip with the receiving date as the delivery date; for notice sent by mail, the 48th hour from the date of posting in the post office is the delivery date; for notice sent by fax or email or published on websites, the date of sending or publishing is the delivery date; for notice published by announcement, the first publishing date is the delivery date. Such announcements shall be published in compliance with the requirements of the laws, administrative regulations and the listing rules of the stock exchange where the Company's Shares are listed.
- Article 194** If any notice of meeting fails to be given to any person entitled to receive such notice or such person does not receive a notice of meeting due to accidental omission, such meeting and the resolution passed thereat shall not become invalid thereby.
- Article 195** In the event that the listing rules of the stock exchange where the Company's Shares are listed require the Company to provide the relevant documents in English version and Chinese version by delivery, mail, distribution, issuance, publishing or other manners, where the Company has made appropriate arrangement to confirm its Shareholders' intent to receive the English version only or the Chinese version only, and within the scope permitted by the applicable laws and regulations and pursuant to the applicable laws and regulations, the Company may (based on the intent stated by the Shareholders) deliver the English version only or the Chinese version only to the relevant Shareholders.

## **Section 2 Announcement**

- Article 196** The Company shall issue announcements and disclose information to its shareholders in accordance with laws and regulations. Any announcement to be made to holders of overseas-listed foreign invested shares under these Articles shall also be published in accordance with the method prescribed by the HKEX Listing Rules.
- Article 197** The Board of Directors shall have the right to adjust the method of information disclosure by the Company, provided that it shall ensure the adjustment required by the applicable laws, regulations, and rules of the securities regulatory authority and stock exchange at the place where the Company's shares are listed.

## Chapter 13 Supplementary Provisions

### Article 198 Interpretation

- (1) The term “actual controller” refers to any person who is not a shareholder of the Company but is able to actually direct the actions of the Company by investment relation, agreement or other arrangement.
- (2) The term “connected transaction” shall have the meaning defined in the HKEX Listing Rules.
- (3) Unless otherwise provided in or expressly referred to in the HKEX Listing Rules, the term “transaction” when used herein includes:
  - (i) purchase or sale of assets;
  - (ii) making external investment (except for purchasing bank wealth management products);
  - (iii) transferring or acquiring R&D projects;
  - (iv) signing license agreement;
  - (v) provision of guarantee;
  - (vi) lease-in or lease-out of assets;
  - (vii) appointing others or being appointed for management of assets or business;
  - (viii) donating or receiving assets;
  - (ix) restructuring of debts or claims; and
  - (x) providing financial assistance.

The purchase or sale of assets mentioned above excludes the activities relating to the daily operations such as the purchase of raw materials, fuel and energy and the sale of products and merchandise.

- (4) The term “accounting firm” shall have the same meaning as “auditor” referred to in the HKEX Listing Rules.

### Article 199 The Board of Directors may formulate bylaws in accordance with the provisions hereof. Bylaws shall not conflict with the provisions of these Articles.



- Article 200** The Articles of Association shall be subject to the interpretation of the Board of the Company.
- Article 201** These Articles shall be written in Chinese, and in case of any difference between the articles of association in any other language or version and these Articles, the Chinese Articles of Association last approved by and registered with the competent administration for market regulation of the Company shall prevail.
- Article 202** For the purposes of these Articles, “more than”, “within” shall include the given figure; while “less than”, “exceed” shall exclude the given figure.
- Article 203** Appendices to the Articles of Association include the rules of procedures of the Shareholders’ general meetings, rules of procedures of the Board meetings and rules of procedures of meetings of Supervisory Committee.
- Article 204** These Articles shall take effect and be implemented from the date of special resolution approved at the General Meeting of the Company. Since the effective date of these Articles, the original Articles of Association of the Company shall be automatically invalidated.