

**Articles of Association**  
**of**  
**PU'ER LANCANG ANCIENT TEA CO., LTD.**

**June, 2026**

## TABLE OF CONTENTS

|              |                                                                                            |    |
|--------------|--------------------------------------------------------------------------------------------|----|
| Chapter I    | General Provisions . . . . .                                                               | 3  |
| Chapter II   | Business Objectives and Scope . . . . .                                                    | 4  |
| Chapter III  | Shares . . . . .                                                                           | 5  |
| Section I    | Issuance of Shares . . . . .                                                               | 5  |
| Section II   | Increase, Reduction and Repurchase of Shares. . . . .                                      | 7  |
| Section III  | Transfer of Shares . . . . .                                                               | 9  |
| Chapter IV   | Shareholders and General Meeting. . . . .                                                  | 10 |
| Section I    | General Provisions for Shareholders . . . . .                                              | 10 |
| Section II   | Controlling Shareholders and De Facto Controllers . . . . .                                | 16 |
| Section III  | General Provisions Regarding General Meeting. . . . .                                      | 17 |
| Section IV   | Convening of General Meeting . . . . .                                                     | 20 |
| Section V    | Proposals and Notices in Respect of General Meeting . . . . .                              | 21 |
| Section VI   | Convening of General Meeting . . . . .                                                     | 23 |
| Section VII  | Voting at and Resolutions of General Meeting. . . . .                                      | 26 |
| Chapter V    | Directors and Board of Directors . . . . .                                                 | 31 |
| Section I    | General Provisions for Directors . . . . .                                                 | 31 |
| Section II   | Independent Non-Executive Directors . . . . .                                              | 35 |
| Section III  | Board of Directors . . . . .                                                               | 36 |
| Section IV   | Special Committees of the Board. . . . .                                                   | 41 |
| Chapter VI   | General Manager and Other Senior Management Members . . . . .                              | 41 |
| Chapter VII  | Financial and Accounting System, Profit Distribution and Audit. . . . .                    | 43 |
| Section I    | Financial and Accounting System . . . . .                                                  | 43 |
| Section II   | Internal Audit. . . . .                                                                    | 45 |
| Section III  | Appointment of Accounting Firm . . . . .                                                   | 46 |
| Chapter VIII | Notices and Announcements . . . . .                                                        | 46 |
| Section I    | Notices. . . . .                                                                           | 46 |
| Section II   | Announcements . . . . .                                                                    | 47 |
| Chapter IX   | Merger, Spin-off, Capital Increase and Reduction,<br>Dissolution and Liquidation . . . . . | 48 |
| Section I    | Merger, Spin-off, Capital Increase and Reduction . . . . .                                 | 48 |
| Section II   | Dissolution and Liquidation. . . . .                                                       | 50 |
| Chapter X    | Amendments to the Articles of Association . . . . .                                        | 52 |
| Chapter XI   | Supplementary Provisions . . . . .                                                         | 53 |

**Articles of Association  
of  
Pu'er Lancang Ancient Tea Co., Ltd.**

**CHAPTER I GENERAL PROVISIONS**

**Article 1** With a view to protecting the legitimate rights and interests of Pu'er Lancang Ancient Tea Co., Ltd. ("Company") and its shareholders, employees and creditors, and regulating the organization and activities of the Company, these Articles of Association ("Articles") are formulated pursuant to the *Company Law of the People's Republic of China* ("Company Law"), the *Securities Law of the People's Republic of China* ("Securities Law"), the *Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies*, the *Guidelines on the Bylaws of Listed Companies*, the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* ("HK Listing Rules"), and other applicable regulations.

**Article 2** The Company is a joint stock company with limited liability incorporated pursuant to the Company Law and other applicable regulations.

The Company is established by the promoters by means of entire reorganization. The Company is registered with and has obtained its business license from the Pu'er Administration for Market Regulation, with the unified social credit code: 9153082862288455XW.

**Article 3** The Company completed the filing procedures with the China Securities Regulatory Commission ("CSRC") on August 1, 2023, pursuant to which, the Company initially issued 21,000,000 ordinary share(s) with a par value of RMB1 each in Hong Kong to the public, which were listed on the Main Board of the Stock Exchange of Hong Kong Limited ("SEHK") on December 22, 2023.

**Article 4** Registered Name:

Full Chinese name: 普洱瀾滄古茶股份有限公司

Full English name: Pu'er Lancang Ancient Tea Co., Ltd.

**Article 5** Domicile: Pingzhang Road, West Suburb Hot Spring Community, Menglang Town, Lancang Lahu Ethnic Autonomous County, Pu'er, Yunnan Province.

Postal code: 665660

Telephone: 0879-7222621

Facsimile: 0879-7222621

**Article 6** Registered capital: RMB126,000,000.

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

**Article 8** The Chairman shall be the legal representative of the Company.

If the Chairman resigns, he/she shall be deemed to have resigned as the legal representative at the same time. If the legal representative resigns, the Company shall appoint a new legal representative within thirty (30) days from the date of resignation of the legal representative.

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

The restrictions on the functions and powers of the legal representative imposed by these Articles or the shareholders' meeting shall not antagonize a bona fide counterparty.

If the legal representative causes damage to others due to the performance of his/her duties, the Company shall bear civil liability. After assuming civil liability, the Company may, in accordance with the laws or these Articles, recover compensation from the legal representative who is at fault.

**Article 9** The liability of each shareholder to the Company is limited to the shares subscribed by such shareholder. The Company shall be liable for its debts to the extent of its assets.

**Article 10** From the effective date hereof, these Articles shall become a legally binding document governing the organization and activities of the Company, and the relationship of rights and obligations between the Company and the shareholders and among the shareholders, and be legally binding on the Company and its shareholders, directors and senior executives. A shareholder may bring an action against another shareholder or any director or any other senior executive of the Company, or the Company, and the Company may bring an action against any of its shareholder(s), director(s) or senior executives, in each case, in accordance with these Articles.

**Article 11** For the purpose of these Articles, senior executives include the general managers, the deputy general managers, the board secretary, and the chief financial officer.

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

## **CHAPTER II BUSINESS OBJECTIVES AND SCOPE**

**Article 13** Business objectives: Based on tea, focusing on the industry, to provide high-quality products to the society and people, and create a healthy tea lifestyle.

**Article 14** Business scope registered according to law: Licensed business: manufacture of tea products; foods production; sale of foods; manufacture of cosmetics (any business subject to approval according to law may only be operated with the approval of, and within the scope approved by, the competent authorities); general business: sale of tea sets; manufacture of household chemical products; sale of household chemical products; wholesale and retail of cosmetics; sale of sanitary products and disposable medical supplies; conference and exhibition services; business training (excluding education training, vocational skills training and other trainings subject to licensing) (except any business subject to approval according to law, the Company may conduct business within the scope set forth in the business license at its sole discretion according to law).

## **CHAPTER III SHARES**

### **Section I Issuance of Shares**

**Article 15** The Shares shall take the form of share certificates.

All shares issued by the Company shall be registered shares. Each share certificate shall contain such information as required by the Company Law, and the stock exchange on which the Company's shares are listed.

The Company's shares issued and listed overseas may take the form of overseas depository receipts or other derivative shares, in accordance with the laws of the place where the Company's shares are listed and the common practices of securities registration and depository. If the Company's share capital includes any non-voting shares, such shares shall be designated as "non-voting". If the Company's share capital includes the shares with different voting rights, each class of the shares (except for those attached with the most preferential voting rights) shall include the words such as "with restricted voting rights" or "with limited voting rights".

**Article 16** The Company shall issue shares in an open, fair and just manner, and each share of the same class shall have equal rights.

All shares of the same class issued at the same time shall be issued under the same conditions and at the same price; the same consideration shall be paid for each share subscribed by subscribers.

**Article 17** All the shares with a par value issued by the Company are denominated in RMB with a par value of RMB1 per share.

The shares issued by the Company are referred to as domestic unlisted shares if they are issued in the PRC but have not yet been listed or traded on any domestic exchange, or as H Shares if they are listed on the SEHK. All shareholders of the Company shall have the same rights regarding dividends distribution or any other distributions of the Company.

Where the shareholders of domestic unlisted shares apply for the conversion of the domestic unlisted shares held by them into overseas listed shares and have such shares listed and traded on an overseas exchange, they are not required to convene a shareholders' meeting to vote on the application, but they shall entrust the company to go through the relevant filing procedures with the CSRC, subject to the relevant regulations of the CSRC.

**Article 18** The shares issued by the Company shall be deposited with qualified depositaries.

**Article 19** Upon its incorporation, the Company issued 49,680,000 RMB-denominated ordinary shares to its promoters, representing 100% of the total issued shares of the Company. The promoters and their respective number of shares subscribed, shareholding percentage, method of capital contribution and time of capital contribution are set out below:

| No. | Name of promoter                                                       | No. of<br>the shares<br>subscribed | Method<br>of capital<br>contribution | Shareholding<br>percentage | Time of capital<br>contribution |
|-----|------------------------------------------------------------------------|------------------------------------|--------------------------------------|----------------------------|---------------------------------|
| 1   | DU Chunyi                                                              | 15,241,197                         | Net assets                           | 30.6787%                   | February 8, 2018                |
| 2   | WANG Juan                                                              | 8,328,599                          | Net assets                           | 16.7645%                   | February 8, 2018                |
| 3   | Guangzhou Tiansu Information<br>Technology Co., Ltd.<br>(廣州天速信息技術有限公司) | 4,968,000                          | Net assets                           | 10.0000%                   | February 8, 2018                |
| 4   | XU Weixian                                                             | 3,422,373                          | Net assets                           | 6.8888%                    | February 8, 2018                |
| 5   | YANG Xiu                                                               | 1,809,989                          | Net assets                           | 3.6433%                    | February 8, 2018                |
| 6   | SHI Yue                                                                | 1,677,760                          | Net assets                           | 3.3771%                    | February 8, 2018                |
| 7   | LI Zhumei                                                              | 982,813                            | Net assets                           | 1.9783%                    | February 8, 2018                |
| 8   | HUA Laoer                                                              | 956,035                            | Net assets                           | 1.9244%                    | February 8, 2018                |
| 9   | SU Yunchang                                                            | 872,146                            | Net assets                           | 1.7555%                    | February 8, 2018                |
| 10  | LIAO Jiusheng                                                          | 821,133                            | Net assets                           | 1.6528%                    | February 8, 2018                |
| 11  | XIAO Minghuan                                                          | 810,153                            | Net assets                           | 1.6307%                    | February 8, 2018                |
| 12  | LI Congmei                                                             | 802,533                            | Net assets                           | 1.6154%                    | February 8, 2018                |
| 13  | BAO Wenjin                                                             | 682,288                            | Net assets                           | 1.3734%                    | February 8, 2018                |
| 14  | LUO Guangming                                                          | 563,259                            | Net assets                           | 1.1338%                    | February 8, 2018                |
| 15  | LUO Qiongfang                                                          | 532,418                            | Net assets                           | 1.0717%                    | February 8, 2018                |
| 16  | ZHAO Huiqiong                                                          | 523,389                            | Net assets                           | 1.0535%                    | February 8, 2018                |
| 17  | ZHONG Qinfan                                                           | 437,353                            | Net assets                           | 0.8803%                    | February 8, 2018                |
| 18  | XIAO Minghui                                                           | 422,818                            | Net assets                           | 0.8511%                    | February 8, 2018                |
| 19  | WANG Wenguang                                                          | 414,592                            | Net assets                           | 0.8345%                    | February 8, 2018                |
| 20  | OUYANG Ya                                                              | 359,140                            | Net assets                           | 0.7229%                    | February 8, 2018                |
| 21  | CHEN Guangrong                                                         | 350,857                            | Net assets                           | 0.7062%                    | February 8, 2018                |
| 22  | XU Jianhe                                                              | 347,039                            | Net assets                           | 0.6985%                    | February 8, 2018                |
| 23  | ZHANG Namu                                                             | 305,077                            | Net assets                           | 0.6141%                    | February 8, 2018                |
| 24  | HE Zhi                                                                 | 304,750                            | Net assets                           | 0.6134%                    | February 8, 2018                |
| 25  | DU Zuogang                                                             | 290,086                            | Net assets                           | 0.5839%                    | February 8, 2018                |
| 26  | HUANG Jinglian                                                         | 283,032                            | Net assets                           | 0.5697%                    | February 8, 2018                |
| 27  | LI Lanying                                                             | 281,180                            | Net assets                           | 0.5660%                    | February 8, 2018                |
| 28  | ZHANG Pinggang                                                         | 248,123                            | Net assets                           | 0.4994%                    | February 8, 2018                |
| 29  | XIONG Zhongyu                                                          | 238,010                            | Net assets                           | 0.4791%                    | February 8, 2018                |
| 30  | YANG Haiyan                                                            | 230,338                            | Net assets                           | 0.4636%                    | February 8, 2018                |
| 31  | LI Hua                                                                 | 165,088                            | Net assets                           | 0.3323%                    | February 8, 2018                |
| 32  | LI Yunfeng                                                             | 146,435                            | Net assets                           | 0.2948%                    | February 8, 2018                |
| 33  | LI Guangxin                                                            | 145,064                            | Net assets                           | 0.2920%                    | February 8, 2018                |
| 34  | ZHANG Xiaote                                                           | 138,960                            | Net assets                           | 0.2797%                    | February 8, 2018                |
| 35  | ZHANG Debin                                                            | 137,303                            | Net assets                           | 0.2764%                    | February 8, 2018                |
| 36  | LI Jianrong                                                            | 135,336                            | Net assets                           | 0.2724%                    | February 8, 2018                |
| 37  | LUO Zhonghong                                                          | 134,846                            | Net assets                           | 0.2714%                    | February 8, 2018                |
| 38  | LI Shiqing                                                             | 134,367                            | Net assets                           | 0.2705%                    | February 8, 2018                |
| 39  | ZHANG Ming                                                             | 133,376                            | Net assets                           | 0.2685%                    | February 8, 2018                |
| 40  | ZHU Junping                                                            | 132,820                            | Net assets                           | 0.2674%                    | February 8, 2018                |
| 41  | PENG Junyu                                                             | 120,999                            | Net assets                           | 0.2436%                    | February 8, 2018                |
| 42  | LUO Zhongfa                                                            | 120,693                            | Net assets                           | 0.2429%                    | February 8, 2018                |
| 43  | ZHANG Jin                                                              | 119,516                            | Net assets                           | 0.2406%                    | February 8, 2018                |
| 44  | LI Jianbo                                                              | 119,465                            | Net assets                           | 0.2405%                    | February 8, 2018                |

| No. | Name of promoter | No. of<br>the shares<br>subscribed | Method<br>of capital<br>contribution | Shareholding<br>percentage | Time of capital<br>contribution |
|-----|------------------|------------------------------------|--------------------------------------|----------------------------|---------------------------------|
| 45  | ZHU Meixuan      | 119,328                            | Net assets                           | 0.2402%                    | February 8, 2018                |
| 46  | HUANG Xiaobai    | 118,911                            | Net assets                           | 0.2394%                    | February 8, 2018                |
| 47  | WANG Wenxing     | 42,732                             | Net assets                           | 0.0860%                    | February 8, 2018                |
| 48  | ZHA Guiqiong     | 8,281                              | Net assets                           | 0.0167%                    | February 8, 2018                |
|     |                  |                                    |                                      |                            |                                 |
|     | Total            | <u>49,680,000</u>                  | —                                    | <u>100.0000%</u>           | —                               |

**Article 20** The total number of share capital of the Company is 126,000,000 shares, all of which are ordinary shares.

**Article 21** The Company and its subsidiaries (including its affiliates) shall not provide financial assistance to any person for the purpose of acquiring shares of the Company or its parent company in the form of gift, advancement, guarantee, borrowing or otherwise, except where the Company implements an employee shareholding plan.

For the interests of the Company, upon a resolution at the general meeting or the Board of Directors makes a resolution pursuant to these Articles or the authorization of the general meeting, the Company may provide financial assistance to others to acquire the shares of the Company or its parent company, provided that the cumulative total amount of the financial assistance shall not exceed 10% of the total issued share capital. Resolutions of the Board of Directors shall be passed by more than two-thirds of all directors.

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

**Article 22** Pursuant to the requirements of laws and regulations, the Company may, based on its operation and development needs, increase its capital in the following manners upon the adoption of respective resolutions at general meetings:

- (i) by offering of shares to non-specific objects;
- (i) by offering of shares to specific objects;
- (iii) by issuing dividend shares to the existing shareholders;
- (iv) by capital increase through the conversion of provident fund;
- (v) by other ways required by the laws, administrative regulations and relevant regulatory authorities.

**Article 23** The Company may reduce registered capital. The Company's reduction of registered capital shall be carried out in accordance with the procedures stipulated in the PRC Company Law, the HK Listing Rules and other relevant regulations as well as these Articles.

**Article 24** The Company is not allowed to repurchase its shares except under one of the following circumstances:

- (i) to reduce the registered capital of the Company;
- (ii) to merge with other companies which hold shares in the Company;
- (iii) to utilize its shares for employee stock ownership plans or share incentive plans;
- (iv) to acquire shares held by shareholders, who vote against any resolution proposed in any general meeting on the merger or division of the Company, upon their request;
- (v) to use shares for converting corporate bonds convertible into shares issued by the Company;
- (vi) be necessary for the Company to protect corporate value and shareholders' interests;
- (vii) other circumstances as permitted by the laws, administrative regulations, departmental rules, normative documents and the securities regulatory rules of the place where the Company's shares are listed.

**Article 25** The Company may purchase its shares through public centralized trading or other ways as permitted by the laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and relevant regulatory authorities.

Where the Company purchases its shares under the circumstances prescribed in items (iii), (v) and (vi) of Article 24 of these Articles, such purchase shall be conducted through public centralized trading.

**Article 26** Where the Company acquires its shares under the circumstances prescribed in items (i) and (ii) of Article 24, such acquisition shall be resolved at a general meeting of the Company. Where the Company acquires shares under the circumstances prescribed in items (iii), (v) and (vi) of Article 24, such acquisition may be resolved at a Board Meeting attended by at least two-thirds (2/3) of the Directors in accordance with the provisions of these Articles or the authorization of the general meeting.

Where the Company acquires its Shares under the circumstances prescribed in item 1 of Article 24, such Shares shall be cancelled within ten (10) days from the date of acquisition. Where the Shares are acquired under the circumstances prescribed in items (ii) and (iv) of Article 24, such shares shall be transferred or cancelled within six (6) months. Where the Shares are acquired under the circumstances prescribed in items (iii), (v) and (vi) of Article 24, the total number of the Shares held by the Company shall not exceed ten percent (10%) of the total issued Shares, and such shares shall be transferred or cancelled within three (3) years.

Where the relevant laws and regulations, normative documents, and the relevant requirements of the Securities Regulatory Authorities in the place where the Company's shares are listed contain any other provisions in respect of the matters related to the aforementioned share repurchase, such provisions shall prevail.

### **Section III   Transfer of Shares**

**Article 27**   The Shares of the Company shall be transferrable according to law.

All transfers of the H Shares shall adopt written instruments of transfer in the ordinary or general form or in any other form acceptable to the Board of Directors (including the standard transfer form or any transfer form prescribed by the SEHK from time to time); such written instruments of transfer may only be signed manually or stamped with effective seal of the company (if the transferor or the transferee is a company). If the transferor or transferee is a recognized clearing house or its agents as defined in the relevant regulations in force under the laws of Hong Kong from time to time, the instrument of transfer may be executed manually or in machine-printed form. Each instrument of transfer shall be kept at the legal address of the Company or such other place as the Board of Directors may appoint from time to time for such purpose.

**Article 28**   The Company shall not accept shares of the Company as the subject of any pledge.

**Article 29**   Shares issued prior to any public offering of Shares shall not be transferred within one (1) year from the date on which the Shares are listed or traded on the SEHK.

The Directors and senior executives of the Company shall declare to the Company their shareholdings and changes thereof and shall not transfer more than twenty-five percent (25%) of the total number of shares of the same class of the Company held by them every year during their tenure which had been determined when taking office. The



**Article 34** The Company shall maintain a complete register of shareholders, which shall include the following parts:

- (i) the register of shareholders maintained at the Company's domicile other than those specified in items (ii) and (iii) of this Article;
- (ii) the register of shareholders of H Shares maintained in the place of the overseas stock exchange where the shares are listed;
- (iii) the register of shareholders maintained in other places as the Board of Directors considers necessary for listing purposes.

**Article 35** The each part of the register of shareholders shall not duplicate with each another. The transfer of the shares registered in a certain part of the register of shareholders shall not, during the continuance of the registration of such shares, be registered in any other part of the register of shareholders.

Changes and corrections to each part of the register of shareholders shall be carried out in accordance with the laws of the place where each part is kept.

**Article 36** With respect to the shareholders of H Shares, where two or more persons are registered as the joint shareholders of any shares, they shall be deemed as joint shareholders of the share concerned, subject to the following provisions:

- (i) the Company shall not register more than four persons as the joint shareholders of any shares;
- (ii) the joint shareholders of any shares shall be severally and jointly liable for all unpaid payment which ought to be made in respect of such shares;
- (iii) on the death of any one of such joint shareholders, only the surviving person(s) among the joint shareholders shall be deemed as the person(s) entitled to such shares by the Company, but the Board of Directors has rights to request such evidence of death as it considers appropriate for purpose of amending the register of shareholders;
- (iv) with respect to the joint shareholders of any shares, only the person whose name ranks first in the register of shareholders shall be entitled to the delivery of the share certificates relating to such shares, or to receiving the notices from the Company. Any notice given to such person shall be deemed as delivered to all the joint shareholders; any of such joint shareholders may execute a power of attorney, but if more than one of such joint shareholders attend any shareholders' meeting in person or by proxy, the votes of the shareholder with the higher priority, whether exercised in person or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholders, and the priority shall be determined by the order in which the names of the shareholders rank in the register of shareholders in respect of such shares.

Where any of the aforementioned joint shareholders gives receipts to the Company in terms of any dividends, bonuses or return of capital payable to the joint shareholder in respect of such shares, such receipts shall be deemed as valid and effective receipts delivered by such joint shareholders.

**Article 37** When the Company convenes a general meeting, distributes dividends, commences liquidation or participates in other activities which require the verification of the identities of shareholders, the Board of Directors or the convener of the general meeting shall decide the date of record. The shareholders whose names are registered on the register of shareholders at the close of trading on the date of record shall be entitled to the relevant rights.

**Article 38** In the event of loss of any share certificate (the “Original Share Certificate”) held by any shareholder recorded in the register of shareholders or any person who requests the Company to enter his/her name in the register of shareholders, such shareholder or person may request the Company to issue a new share certificate for the shares evidenced by the Original Share Certificate (the “Relevant Shares”), in accordance with the relevant provisions of the Company Law if he/she is a shareholder holding the domestic unlisted shares of the Company, or in accordance with the laws, rules of stock exchange and other applicable regulations of the place where the original register of shareholders of H Shares is maintained if he/she is a shareholder of H Shares.

Where a shareholder of H Shares listed in Hong Kong applies for the issuance of a new share certificate, the following conditions shall be satisfied:

- (i) the applicant shall submit an application in a standard form prescribed by the Company, with a notarial certificate or statutory declaration attached, which shall set forth the reasons for the application, the description and evidence of loss of the Original Share Certificate, and a statement that no other person is entitled to be registered as the shareholder of the Relevant Shares;
- (ii) the Company shall not have received any declaration from any person other than the applicant who claims to be entitled to be registered as the shareholder of the Relevant Shares before the Company decides to issue a new share certificate;
- (iii) if the Company decides to issue a new share certificate, the Company shall publish an announcement in qualified newspaper designated by the Board of Directors with an announcement period of ninety (90) days, during which, the announcement shall be republished at least once every thirty (30) days;
- (iv) before publishing the announcement about issuance of a new share certificate, the Company shall submit a copy of the announcement to be published to the stock exchange on which it is listed, and may publish such announcement only after receiving the response from the stock exchange, which confirms the publication of the announcement upon the display of such announcement thereof on the stock exchange. Such announcement shall be displayed on the stock exchange for a period of ninety (90) days. If the application for a new share certificate is not approved by the registered holder of the Relevant Shares, the Company shall deliver a copy of the announcement to be published to such shareholder;
- (v) if the Company has not received any opposition to the issuance of a new share certificate upon expiration of the ninety-day period set forth in items (iii) and (iv) above, the Company may issue a new share certificate at the request of the applicant;
- (vi) upon the issuance of a new share certificate pursuant to this Article, the Company shall immediately cancel the Original Share Certificate, and record the cancellation and reissuance of the share certificate in the register of shareholders; and

- (vii) the applicant shall bear all expenses incurred in connection with the cancellation of the Original Share Certificate and the issuance of the new share certificate. The Company shall have the right to refuse taking any action before the applicant provides reasonable guarantees.

**Article 39** The shareholders of the Company shall be entitled to the following rights:

- (i) the right to receive dividends and other profit distributions in proportion to their shareholdings;
- (ii) the right to request, hold, convene, preside over, attend or appoint proxies to attend general meetings lawfully and to exercise the corresponding voting rights;
- (iii) the right to supervise the operation of the Company, to present proposals or to raise enquiries;
- (iv) the right to transfer, gift or pledge shares in accordance with the laws, administrative regulations as well as these Articles;
- (v) the right to access and copy these Articles, register of shareholders, minutes of general meetings, resolutions of Board Meetings and financial accounting reports, and shareholders who meet the relevant requirements may access the Company's accounting books and accounting vouchers;
- (vi) in the event of the termination or liquidation of the Company, the right to participate in the distribution of remaining assets of the Company in accordance with their shareholding;
- (vii) with respect to the shareholders who vote against any resolution adopted at the shareholders' general meeting on the merger or spin-off of the Company, the right to demand the Company to buy back their shares; and
- (viii) other rights prescribed by the laws, administrative regulations, departmental rules and these Articles.

**Article 40** If a shareholder requests to access or copy relevant materials of the Company, such shareholder shall comply with the requirements of applicable laws, administrative regulations including the Company Law, the Securities Law, the Hong Kong Listing Rules and securities regulatory rules of the place where the Company's shares are listed, and shall submit written proof of the class and number of the shares held by it/him/her to the Company, and upon verification of it/him/her identity as a shareholder, the Company shall make available such information and documents as requested by such shareholder.

**Article 41** A shareholder shall have the right to petition the people's court to invalidate any resolution of the general meeting or the Board of Directors of the Company that violates the relevant laws and administrative regulations.

If any general meeting or Board Meeting has been convened or held any vote in violation of the procedural rules set forth in relevant laws and administrative regulations or herein, or adopted any resolution in violation of the provisions of these Articles, any shareholder may petition the people's court to revoke the relevant resolution within sixty (60) days following the adoption thereof. However, this shall not apply when there are only minor defects in the convening procedures or voting method of the general meeting or meeting of the Board of Directors, which do not materially affect the resolution.

Where the Board of Directors, shareholders and other stakeholders dispute the validity of a resolution of the general meeting, they shall promptly file a lawsuit with the people's court. Before the people's court makes a judgement or ruling such as a revocation of the resolution, the stakeholders shall execute the resolution of the general meeting. The Company, directors and senior management shall perform their duties diligently to ensure the normal operation of the Company.

Where the people's court makes a judgement or ruling on a relevant matter, the Company shall fulfil its obligation to disclose the information in accordance with the laws, administrative regulations, the rules of the CSRC and the securities regulatory rules of the place where the shares of the Company are listed, fully explain the impact, and actively co-operate with the enforcement of the judgement or ruling after it has come into effect. Where corrections to prior events are involved, they will be handled in a timely manner and the corresponding information disclosure obligations will be fulfilled.

**Article 42** Resolutions of the general meeting or meeting of the Board of Directors of the Company shall not be valid under any of the following circumstances:

- (i) no general meetings or meeting of the Board of Directors has been convened to pass a resolution;
- (ii) the resolution is not voted on at the general meeting or meeting of the Board of Directors;
- (iii) the number of persons attending the meeting or the number of voting rights held does not reach the number of persons or the number of voting rights held as provided for in the Company Law or these Articles;
- (iv) the number of persons agreeing to the resolution or the number of voting rights held does not reach the number of persons or the number of voting rights held as provided for in the Company Law or these Articles.

**Article 43** If any Director or senior executive other than members of the Audit Committee violates the relevant laws and administrative regulations or the provisions of these Articles in performing his/her duties in the Company, causing any loss to the Company, the shareholder(s) individually or collectively holding one percent (1%) or more of the shares of the Company for more than one hundred and eighty (180) consecutive days shall have the right to request in writing the Audit Committee to bring an action in the people's court. If the Audit Committee violates the relevant laws and administrative regulations or the provisions of these Articles in performing its duties in the Company, causing any loss to the Company, any aforesaid shareholder may request in writing the Board of Directors to bring an action in the people's court.

If the Audit Committee or the Board of Directors refuses to bring an action after receiving a written request from the relevant shareholder(s) as prescribed in the aforementioned paragraph, or fails to bring such action within thirty (30) days upon receipt of such written request, or if the matter is of great urgency and the failure to bring such action immediately will cause irreparable damages to the Company, the relevant shareholder(s) shall have the right to directly bring an action in the people's court in their own name for the benefit of the Company.

If any other person infringes on the legitimate rights and interests of the Company, causing any loss to the Company, the shareholder(s) referred to in the first paragraph of this Article may bring an action in the people's court pursuant to the provisions of the first two paragraphs this Article.

Where the Company incurs loss as a result of violation of the laws, administrative regulations or these Articles by directors, supervisors and senior management of a wholly-owned subsidiary of the Company in the course of performing their duties, or if any third parties infringe upon the legitimate rights and interests of a wholly-owned subsidiary of the Company and cause losses, shareholders individually or collectively holding 1% or more of the shares of the Company for one hundred and eighty (180) consecutive days or more shall have the rights to request in writing the supervisory committee or board of directors of the wholly-owned subsidiary to initiate legal proceedings in the People's Court or directly initiate legal proceedings in the People's Court in its own name in accordance with the provisions of the first three paragraphs of Article 189 of the Company Law.

**Article 44** If any Director or damages the interests of any shareholder in violation of the relevant laws and administrative regulations or the provisions of these Articles, the relevant shareholder may bring an action in the people's court.

**Article 45** The shareholders of the Company shall have the following obligations:

- (i) to abide by the laws, administrative regulations and these Articles;
- (ii) to pay subscription monies for the shares subscribed for in the prescribed method of subscription;
- (iii) not to withdraw its share capital except as otherwise provided for by the laws and regulations;
- (iv) not to abuse their shareholders' rights to jeopardize the interests of the Company or other shareholders; and not to abuse the status of the Company as an independent legal person and the limited liability of shareholders to jeopardize the interests of any creditors of the Company; and
- (v) to fulfill other obligations as stipulated by the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and these Articles.

If a shareholder of the Company abuses the rights of shareholders and causes losses to the Company or other shareholders, such shareholder shall be liable for compensation in accordance with the law. A shareholder who abuses the independent status of the Company as a legal entity and the limited liability of shareholders to evade debts and seriously damages the interests of the Company's creditors shall be jointly and severally liable for the debts of the Company.

## **Section II Controlling Shareholders and De Facto Controllers**

**Article 46** The controlling shareholders and de facto controllers of the Company shall exercise their rights and fulfil their obligations in accordance with the laws, administrative regulations, the rules of the CSRC and the securities regulatory rules of the place where the shares of the Company are listed, and safeguard the interests of the Company.

**Article 47** Controlling shareholders and de facto controllers of the Company shall comply with the following provisions:

- (i) to exercise their rights as shareholders in accordance with the law and not abuse their control or use their affiliation to prejudice the legitimate interests of the Company or other shareholders;
- (ii) to strictly implement the public statements and undertakings made and shall not change or waive them;
- (iii) to fulfil information disclosure obligations in strict accordance with the relevant regulations, to proactively cooperate with the Company in information disclosure and to inform the Company in a timely manner of material events that have occurred or are proposed to occur;
- (iv) not to appropriate the Company's funds in any way;
- (v) not to order, instruct or request the Company and relevant personnel to provide guarantees in violation of laws and regulations;
- (vi) not to make use of the Company's undisclosed material information to gain benefits, not to divulge in any way undisclosed material information relating to the Company, and not to engage in insider trading, short-swing trading, market manipulation and other illegal and unlawful acts;
- (vii) not to prejudice the legitimate rights and interests of the Company and other shareholders through unfair related transactions, profit distribution, asset restructuring, external investment or any other means;
- (viii) to ensure the integrity of the Company's assets, and the independence of personnel, finance, organization and business, and not to affect the independence of the Company in any way;
- (ix) other provisions prescribed by laws, administrative regulations, the rules of the CSRC, the securities regulatory rules of the place where the shares of the Company are listed and these Articles.

Where the controlling shareholder or de facto controller of the Company does not serve as a director of the Company but actually conducts the Company's affairs, the provisions of these Articles regarding directors' duties of loyalty and diligence shall apply.

Where a controlling shareholder or de facto controllers of the Company instructs a director or senior management to engage in an act that is detrimental to the interests of the Company or the shareholders, he/she shall be jointly and severally liable with such director or senior management.

**Article 48** Where a controlling shareholder or de facto controller pledges the shares of the Company that he/she holds or actually controls, he/she shall maintain the stability of the Company's control and production operations.

**Article 49** Where a controlling shareholder or de facto controller transfers the shares of the Company held by him/her, he/she shall comply with the restrictive provisions on the transfer of shares set out in the laws, administrative regulations, the rules of the CSRC and the securities regulatory rules of the place where the shares of the Company are listed, as well as his/her undertakings in respect of the restriction on the transfer of shares.

### **Section III General Provisions Regarding General Meeting**

**Article 50** The general meeting of the Company shall comprise all shareholders. The general meeting is the authority of power of the Company, and shall exercise the following duties and powers in accordance with the law:

- (i) to elect and change the Directors and decide on the remunerations of such Directors;
- (ii) to deliberate and approve the reports of the Board of Directors;
- (iii) to deliberate and approve the profit distribution plans and loss recovery plans of the Company;
- (iv) to resolve on the increase or reduction of the registered capital of the Company;
- (v) to resolve on the issuance of bonds of the Company;
- (vi) to resolve on the merger, division, dissolution, liquidation or change in the form of the Company;
- (vii) to amend these Articles;
- (viii) to resolve on the Company's engagement and removal of the accountants;
- (ix) to deliberate and approve the guarantees as stipulated in Article 51 hereof;
- (x) to deliberate and approve the Company's purchase or disposal of major assets within one (1) year with the aggregate transaction amount exceeding thirty percent (30%) of the latest audited total assets of the Company;
- (xi) to deliberate and approve the related (connected) transactions required to be approved by the general meeting in accordance with the laws, regulations, and the listing rules of the place where the Company's shares are listed;
- (xii) to deliberate and approve the change in the use of raised funds;
- (xiii) to deliberate and approve equity incentive plan and employee stock ownership plan;
- (xiv) to resolve on the acquisition of the Company's shares under the circumstances prescribed in items (i) and (ii) of Article 24 hereof;

- (xv) to deliberate other matters required to be resolved by the shareholders' general meeting pursuant to the laws, regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles.

The general meeting may authorise the Board of Directors to resolve on the issuance of bonds of the Company.

Unless otherwise required by laws, administrative regulations, the rules of the CSRC, the securities regulatory rules of the place where the shares of the Company are listed, the duties and powers of the general meeting set forth above shall not be exercised by the Board of Directors or other institutions and individuals on behalf of others by way of authorization. Save for the above, the general meeting may authorize or entrust the Board of Directors and/or a person authorized by the Board of Directors to handle issues that are authorized or entrusted by the general meeting, provided that the laws and regulations as well as the mandatory requirements of the relevant laws and regulations of the listing place are not violated.

**Article 51** The Company shall get approval from the general meeting if it provides:

- (i) any external guarantee after the aggregate amount of external guarantees provided by the Company and its controlled subsidiaries has exceeded fifty percent (50%) of the latest audited net assets of the Company;
- (ii) any external guarantee after the aggregate amount of external guarantees provided by the Company has exceeded thirty percent (30%) of the latest audited total assets of the Company;
- (iii) any external guarantee that will result in the aggregate OF amount of external guarantees provided by the Company to others within one (1) year exceeding thirty percent (30%) of the latest total audited assets of the Company;
- (iv) any guarantee for a guaranteed party whose asset liability ratio exceeds seventy percent (70%);

If the Board of Directors or general meeting of the Company violates the approval authority or approval procedure in respect of guarantee, the Directors and shareholders who violate the approval authority or approval procedure shall be jointly and severally liable for such violation, and if a guarantee is provided in violation of such approval authority or approval procedure, the Company shall have the right to hold the responsible persons liable depending on the losses and risks resulting from, and severity of, such violation.

**Article 52** The general meeting consists of annual general meeting and extraordinary general meeting. The annual general meeting shall be held once every year within six (6) months from the end of the previous financial year.

**Article 53** The Company shall convene an extraordinary general meeting within two (2) months upon occurrence of the following events:

- (i) when the number of Directors is less than the number stipulated in the Company Law or two-thirds (2/3) of the number specified in these Articles;
- (ii) when the unrecovered losses of the Company amount to one-third of the total amount of its share capital;
- (iii) at the request of shareholder(s) individually or collectively holding more than ten percent (10%) of the Company's shares;
- (iv) when the Board of Directors considers necessary;
- (v) when the Audit Committee proposes to convene such meeting;
- (vi) any other circumstances stipulated by the laws, administrative regulations, departmental regulations, the securities regulatory rules of the place where the Company's shares are listed or these Articles.

**Article 54** A general meeting shall be held at the domicile of the Company or such other place as designated in the notice of the general meeting. A general meeting shall be held at the designated venue in the form of on-site meeting. A general meeting may also be convened in a virtual format or in a hybrid format combining both physical and virtual attendance. On the premise of ensuring the legality and effectiveness of the general meeting, the Company may provide convenience for the shareholders to attend the meeting through network, video, telephone or other means permitted under the securities regulatory rules of the place where the Company's shares are listed, subject to the relevant laws, administrative regulations, departmental rules, and the securities regulatory rules of the place where the Company's shares are listed, so as to enable shareholders to attend the general meeting virtually through technology and to speak and vote electronically, and any shareholder's participation in such a meeting shall constitute presence in

## **Section IV Convening of General Meeting**

**Article 55** The Board of Directors shall convene the general meeting within the prescribed time limit.

With the consent of more than half of all independent non-executive Directors, independent non-executive Directors shall be entitled to propose to the Board of Directors to convene an extraordinary general meeting. Regarding the proposal requesting to convene an extraordinary general meeting by the Independent Non-executive Directors, the Board of Directors shall, in accordance with the laws, administrative regulations and these Articles, inform in writing whether it agrees or disagrees to convene an extraordinary general meeting within ten (10) days upon receipt of the proposal.

If the Board of Directors agrees to convene an extraordinary general meeting, the Board of Directors shall issue a notice to convene the meeting within five (5) days after it passed a resolution thereon. If the Board of Directors refuses to convene an extraordinary general meeting, the Board of Directors shall explain the reason and publish an announcement.

**Article 56** If the Audit Committee proposes to the Board of Directors to convene an extraordinary general meeting, it shall put forward its proposal to the Board of Directors in writing. The Board shall, pursuant to the laws, administrative regulations and these Articles, inform in writing whether it agrees or disagrees to convene the extraordinary general meeting within ten (10) days upon receipt of the proposal.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice to convene the meeting within five (5) days after it passed a resolution thereon, provided that no change shall be made to the proposal in such notice without the consent of the Audit Committee.

If the Board of Directors does not agree to convene an extraordinary general meeting, or fails to respond within ten (10) days upon receipt of the proposal, the Board of Directors shall be deemed to be unable or fail to perform its duties to convene a general meeting, and the Audit Committee may convene and preside over a general meeting on its own.

**Article 57** If the shareholder(s) individually or collectively holding ten percent (10%) or more of the Shares requests the Board of Directors to convene an extraordinary general meeting, such shareholder(s) shall put forward such request to the Board of Directors in writing. The Board shall, pursuant to the laws, administrative regulations and these Articles, inform in writing whether it agrees or disagrees to convene the extraordinary general meeting within ten (10) days upon receipt of the request.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice to convene the meeting within five (5) days after it passed a resolution thereon, provided that no change shall be made to the request in such notice without the consent of the relevant shareholders.

If the Board of Directors does not agree to hold the extraordinary general meeting or fails to respond within ten (10) days upon receipt of the request, in the event that the shareholder(s) individually or collectively holding ten percent (10%) or more of the Shares proposes to the Audit Committee to convene an extraordinary general meeting, such shareholder(s) shall put forward such request to the Audit Committee in writing.

If the Audit Committee agrees to convene an extraordinary general meeting, it shall issue a notice to convene the meeting within five (5) days upon receipt of the request, provided that no change shall be made to the request in such notice without the consent of the relevant shareholders.

In the case of failure to issue the notice of general meeting within the prescribed period, the Audit Committee shall be deemed as failing to convene and preside over the general meeting and the shareholder(s) individually or collectively holding ten percent (10%) or more of the Shares for ninety (90) or more consecutive days may convene and preside over such meeting by such shareholder(s).

**Article 58** If the Supervisory Committee or any shareholder(s) decides to convene a general meeting by itself/themselves, the Audit Committee or the relevant shareholder(s) shall notify the Board of Directors in writing, and perform the relevant filing procedures with the relevant securities regulatory authorities in the place where the Company is located and the relevant stock exchange in accordance with the applicable regulations.

Prior to the publication of announcement of the resolutions adopted at such general meeting, the shareholders convening such meeting shall hold at least ten percent (10%) shares in the Company.

**Article 59** If the Audit Committee or any shareholder(s) convenes a general meeting by itself/themselves, the Board of Directors and the Secretary of the Board of Directors shall give cooperation and the Board of Directors shall provide the register of shareholders as of the date of record.

**Article 60** The necessary costs of any general meeting convened by the Audit Committee or any shareholder(s) shall be borne by the Company.

## **Section V Proposals and Notices in Respect of General Meeting**

**Article 61** A proposal shall fall within the scope of powers of the general meeting, with topics for discuss and specific resolutions, and comply with the relevant laws, administrative regulations and the provisions of these Articles.

**Article 62** When a general meeting is convened by the Company, the Board of Directors, the Audit Committee and shareholder(s) who individually or collectively hold(s) one percent (1%) or more of the Shares shall be entitled to make proposals to the general meeting.

The shareholder(s), who individually or collectively hold(s) one percent (1%) or more of the Shares, may submit ad hoc proposals in writing to the convener ten (10) days before the convening of the general meeting. The convener shall issue a supplemental notice of the general meeting within two (2) days upon receipt of the proposals to announce the contents of the ad hoc proposals, and submit such ad hoc proposals to the general meeting for consideration, unless the ad hoc proposals violate the laws, administrative regulations or provisions of these Articles, or do not fall within the scope of the general meeting.

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

The general meeting shall not vote for or pass a resolution on any proposal not stated in the notice of general meeting or not complying with the provisions hereof.

**Article 63** The convener shall notify all shareholders by written meeting notice twenty-one (21) days before the date of convening the annual general meeting and fifteen (15) days before the date of convening the extraordinary general meeting.

**Article 64** The notice of any general meeting shall specify, among others:

- (i) time, place and duration of the meeting;
- (ii) matters and proposals submitted to the meeting for deliberation;
- (iii) stating with eye-catching words that each shareholder has the right to attend and vote at the general meeting in person or by proxy in writing, and the proxy does not need to be a shareholder of the Company;
- (iv) date of record for determining the shareholders' entitlement to attend the general meeting;
- (v) name and telephone number of the regular contact person for the meeting; and
- (vi) time and process of voting online or by other means.

Each notice or supplemental notice of general meeting shall sufficiently and completely disclose the specific contents of all proposals.

The interval between the date of record and the date of meeting shall comply with the regulations of the relevant securities regulatory authorities in the place where the Company's shares are listed.

**Article 65** If the election of any Director(s) will be discussed at a general meeting, the notice of the general meeting shall specify the particulars of each Director candidate or which shall at least include:

- (i) education background, work experience, concurrent posts and other personal information;
- (ii) whether such candidate is affiliated with the controlling shareholder and de facto controllers of the Company;
- (iii) whether such candidate holds shares in the Company; and
- (iv) whether such candidate has been subject to any penalty imposed by the CSRC or other relevant authorities or any punishment imposed by any stock exchange.

Where the Director will be elected through cumulative voting, each Director candidate shall be nominated by a separate proposal.

**Article 66** Subject to compliance with the relevant provisions of laws and regulations and the requirements of the securities regulatory rules of the place where the Shares are listed and the relevant procedures, the Company may issue notice of general meeting by means of publication on the Company's website and/or the website designated by the SEHK or in such other manners as permitted under the HK Listing Rules and these Articles.

**Article 67** After the notice of a general meeting has been issued, the meeting shall not be adjourned or cancelled without justifiable reason, and no proposal set forth in the notice of meeting shall be cancelled. If the meeting needs to be adjourned or cancelled, the convener shall publish an announcement at least two (2) working days prior to the originally scheduled date of meeting, and explain the reason.

## **Section VI Convening of General Meeting**

**Article 68** The Board and other conveners of the Company shall take necessary measures to guarantee the normal order of each general meeting and prevent any person from interfering with or provoking a fight at any general meeting or otherwise infringing on the legitimate rights and interests of the shareholders, and promptly refer any such act to the competent authorities for investigation and punishment.

**Article 69** All ordinary shareholders registered on the date of record or their proxies shall be entitled to attend general meetings and shall speak and exercise their voting rights in accordance with the relevant laws and regulations, the HK Listing Rules and these Articles.

A shareholder may attend and vote at any general meeting in person or by proxy.

**Article 70** Any individual shareholders who attend the meeting in person should present their identity card or other valid documents or proofs that can indicate their identity. Any proxy attending the meeting on behalf of another person shall produce his/her valid identity card and power of attorney.

The corporate shareholders shall attend the meeting by the legal representative or the proxy appointed by the legal representative. Attendance at the meeting by such legal representative or proxy appointed by the legal representative shall be deemed to be attendance in person by the corporate shareholder. The legal representative who attends the meeting shall present his/her identity card and valid proof of his/her qualification as a legal representative. The proxy who attends the meeting shall present his/her identity card and a written power of attorney issued by the legal representative of the legal person shareholder under the law (except where the shareholder is a recognized clearing house or its proxy as defined in the relevant ordinance in force from time to time under the laws of Hong Kong).

If the shareholder is a recognized clearing house (or its proxy) as defined in the relevant ordinance in force from time to time under the laws of Hong Kong, it may authorize more than one person as it deems fit to act as its representative at any general meeting.



A general meeting convened by any shareholder(s) shall be presided over by the convener or a representative appointed by him/her.

When convening a general meeting, if the chairperson of a general meeting violates the rules of procedure as a result of which the meeting is unable to proceed, with the consent of a majority of the shareholders with voting rights present at the meeting, the general meeting may appoint one (1) person as the chairperson to continue the meeting.

**Article 77** The Company shall establish rules of procedure for the general meeting, specifying the procedures for holding, convening and voting at the general meeting, including, among others, notice, registration, deliberation of proposals, casting of votes, counting of votes, declaration of voting results, adoption of resolutions, meeting minutes and execution thereof, announcement, and principle of delegating powers to the Board of Directors by the general meeting, of which powers shall be clear and specific. The rules of procedure for the general meeting shall be prepared by the Board of Directors and approved by the general meeting, and constitute an exhibit to these Articles.

**Article 78** At an annual general meeting, the Board of Directors shall report their respective work in the preceding year to the general meeting, and each Independent Non-executive Director shall deliver a work report.

**Article 79** The Directors and senior executives shall provide explanations in respect of the inquiries and suggestions made by the shareholders at any general meeting.

**Article 80** The chairperson of a general meeting shall, before the commencement of a vote, declare the number of the shareholders attending the meeting in person or by proxy and the total number of voting shares held by them, subject to the register of attendance of the meeting.

**Article 81** The Secretary of the Board of Directors shall be responsible for preparing minutes of each general meeting,

which shall contain, among others:

- (i) time, place and agenda and name of convener of the meeting;
- (ii) name of the chairperson and names of Directors and senior executives present at the meeting;
- (iii) number of the shareholders attending the meeting in person or by proxy and the total number of voting shares held by them, and proportion of total shares of the Company represented by such shares;
- (iv) course of deliberation of, key points of the opinions expressed and result of voting on each proposal;
- (v) inquiries and suggestions made by the shareholders and replies or explanations in connection therewith;
- (vi) names of the counsels (if applicable), teller(s) and scrutineer(s); and
- (vii) other information required by these Articles to be contained in the minutes.

**Article 82** The convener of a general meeting shall ensure the information contained in the minutes of the meeting is true, accurate and complete.

The minutes of the meeting shall be signed by the Directors, the Secretary of the Board of Directors, the convener or his/her proxy attending or present at the meeting and the chairperson, and be kept together with the register of attendance, the powers of attorney and valid information on results of voting online or by other means in respect of the meeting for a period of not less than ten (10) years.

**Article 83** The convener of a general meeting shall ensure the meeting proceeds continuously, until the final resolutions have been adopted, and if the meeting is discontinued or fails to adopt any resolution due to any force majeure or other special reasons, necessary measures shall be taken to resume the meeting as soon as practicable or directly terminate the meeting, and announcements and reports shall be made in a timely manner in accordance with the laws, administrative regulations, departmental rules, normative documents and the securities regulatory rules of the place where the Company's shares are listed.

## **Section VII Voting at and Resolutions of General Meeting**

**Article 84** Resolutions of the general meeting include ordinary resolutions and special resolutions.

Ordinary resolution at a general meeting shall be adopted by more than one half of the voting rights held by Shareholders attending the general meeting.

Special resolution at a general meeting shall be adopted by more than two-thirds (2/3) of the voting rights held by Shareholders attending the general meeting.

For the purposes of this Article, shareholders include shareholders attending the general meeting by proxy.

**Article 85** The following matters shall be resolved by way of ordinary resolutions at a general meeting:

- (i) work reports of the Board of Directors;
- (ii) profit distribution plan and loss recovery plan formulated by the Board of Directors;
- (iii) appointment and dismissal of the members of the Board of Directors, and decision on remuneration and payment methods thereof; and
- (iv) matters other than those requiring approval by special resolutions in accordance with laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or these Articles.

**Article 86** The following matters shall be resolved by way of special resolutions at a general meeting:

- (i) the increase or reduction of the Company's registered capital;
- (ii) division, spin-off, merger, dissolution and liquidation of the Company;
- (iii) amendments to these Articles;
- (iv) the Company's purchase or disposal of major assets or guarantee provided to others exceeding thirty percent (30%) of the latest audited total assets of the Company within one (1) year;
- (v) share incentive schemes; and
- (vi) other matters stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or these Articles and the rules of procedure of the general meeting, and the general meeting of shareholders adopting ordinary resolutions that are considered to have a significant impact on the Company, requiring approval by special resolutions.

**Article 87** Every shareholder shall be entitled to one (1) vote for each voting share held by him/her. When voting, a shareholder entitled to more than one (1) vote needs not cast all affirmative or negative votes with his/her voting rights.

The shares held by the Company shall not have voting rights, and such shares are not counted in the total number of voting shares held by the shareholders present at any general meeting in person or by proxy.

If a shareholder purchases any voting shares in violation of the provisions of Paragraphs 1 and 2 of Article 63 of the Securities Law, the shares exceeding the prescribed threshold shall not be entitled to voting right within thirty-six (36) months following the purchase thereof or counted in the total number of voting shares held by the shareholders present at a general meeting in person or by proxy.

If, pursuant to the applicable laws, administrative regulations, departmental rules, normative documents and the securities regulatory rules of the place where the Company's shares are listed, any shareholder is required to abstain from voting on, or restricted to voting only for or against, any particular resolution, any vote cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

The Board, Independent Non-executive Directors, shareholders of one percent (1%) or more of the shares in the Company, or any investor protection agency established pursuant to the relevant laws, administrative regulations and provisions of the CSRC may publicly solicit proxies from shareholders, provided that they shall fully disclose their intention towards the relevant voting, and shall not solicit proxies with compensation directly or in a disguised manner. The Company shall not impose any restriction on the solicitation of proxies, except for statutory conditions.

For the purposes of Paragraph 1 of this Article, shareholders include shareholders attending the general meeting by proxy.

**Article 88** Where a related-party transaction deliberated at a general meeting, the related shareholder, being a shareholder who has a material interest in such transaction or arrangement, shall abstain from voting on such matter, the voting shares held by such shareholder shall not be counted in the valid total voting shares, and the announcement regarding the resolutions of the general meeting shall fully disclose the votes by the non-interested shareholders.

When the general meeting proceeds to deliberate such related-party transaction, the interested shareholder shall take the initiative to declare the nature of his/her interest and abstain from voting; and if he/she fails to do so, other shareholders may request him/her to declare the same and abstain from voting. The convener shall investigate whether such shareholder is an interested shareholder and whether such shareholder should abstain from voting according to the relevant regulations.

An interested shareholder who should abstain from voting may participate in the discussion about such transaction, and provide explanations about the reason for entry into such transaction, particulars of such transaction, and fairness and legality of such transaction at the general meeting.

If the interested shareholder is unable to abstain from voting due to any special circumstances, the vote may be held according to the normal procedures, provided that a detailed explanation shall be included in the resolutions of the general meeting.

After the end of the general meeting, if any shareholder discovers that any interested shareholder participated in the vote on any related-party transaction, or has an objection over the application of the abstention principle, such shareholder shall have the right to bring an action in respect of the relevant resolutions at the people's court in accordance with the provisions of these Articles.

Where the applicable laws, administrative regulations, departmental rules, normative documents and the securities regulatory rules of the place where the Company's shares are listed contain any other provisions regarding the matters set forth in this Article, such provisions shall prevail.

**Article 89** Unless the Company faces a crisis or falls into other special situations, without the approval of a special resolution by the general meeting, the Company shall not enter into any contract with any person other than the Directors and senior executives of the Company, pursuant to which, the Company will delegate the management of all or any important business of the Company to such person.

**Article 90** The list of Director candidates shall be submitted to the general meeting for voting in the form of a proposal.

The Board shall publicly disclose the respective resumes and particulars of Director candidates to the shareholders. Each of the Director candidates shall covenant in writing that he/she accepts the nomination, his/her information disclosed publicly is true, accurate and complete, he/she meets the qualifications for the relevant post, and he/she will diligently perform his/her duties after being elected.

Method and procedure of nomination of Directors: the Board of Directors and the shareholder(s) individually or collectively holding one percent (1%) or more of the issued and outstanding voting shares in the Company shall have the right to nominate Director candidates, and after soliciting the opinions of such nominees and examining their qualifications, the Board of Directors shall submit a proposal to the general meeting.

When electing Directors at a general meeting, the cumulative voting system may be adopted pursuant to the relevant laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, these Articles or the relevant resolutions of the general meeting. Under the cumulative voting system, in the election of two (2) or more Directors at a general meeting, each share shall be entitled to such number of votes that is equal to the number of Directors to be elected, and a shareholder may allocate all of his/her votes to a single candidate. The Board shall publicly disclose the respective resumes and particulars of Director candidates to the shareholders.

Specific process of cumulative voting:

- (i) the election of and votes on the Independent Non-executive Directors, Non-independent Non-executive Directors shall be held separately;
- (ii) in the election of the Independent Non-executive Directors, each shareholder shall be entitled to such number of votes that is equal to the number of shares held by him/her multiplied by the number of available positions of the Independent Non-executive Directors; such votes may only be allocated to the Independent Non-executive Director candidates, and the candidates with the most votes will be elected;
- (iii) in the election of the Non-independent Non-executive Directors, each shareholder shall be entitled to such number of votes that is equal to the number of shares held by him/her multiplied by the number of available positions of the Non-independent Non-executive Directors; such votes may only be allocated to the Non-independent Non-executive Director and candidates, and the candidates with the most votes will be elected;
- (iv) if the number of candidates exceeds the number specified herein, the number of the Independent Non-executive Directors, Non-independent Non-executive Directors elected by each shareholder shall not exceed the respective number of the Independent Non-executive Directors, Non-independent Non-executive Directors specified herein, and the total number of votes cast by him/her shall not exceed the number of votes that he/she is entitled to. Otherwise, the votes cast by such shareholder shall be invalid; and
- (v) the scrutineer(s) and teller(s) at the general meeting shall carefully examine the compliance with the foregoing provisions, to ensure the fairness and validity of the cumulative voting.

**Article 91** Except for the cumulative voting system, votes on proposals shall be taken one by one at a general meeting, and if there are different proposals regarding the same matter, vote on such proposals shall be taken in order of time of submission thereof. Unless the general meeting is discontinued or fails to adopt any resolution due to any for 2.31l not e generaxed vaTJsioth, the nu.05reas

**Article 93** The same vote may only be cast once on site, online or by other means, provided that if the same vote is cast more than once, only the first vote will be deemed valid.

**Article 94** Votes at a general meeting shall be cast in a registered manner.

**Article 95** Before voting on any proposal, a general meeting shall choose two (2) shareholders' representatives to participate in the votes counting or scrutinizing, provided that no such shareholders' representative shall be a shareholder who is interested in the subject matter of such proposal or his/her proxy.

The counsels (if applicable), shareholders' representatives shall jointly count and scrutinize the votes cast on such proposal. The voting results shall be declared at the meeting and recorded in the minutes of the meeting.

The shareholders, who cast votes online or by other means, whether in person or by proxy, shall have the right to check their voting results through the relevant voting system.

**Article 96** The on-site voting at a general meeting shall not end before voting online or by other means. The chairperson shall declare the result of voting on each proposal, and whether such proposal has been adopted accordingly.

Before the formal declaration of the result of any voting, the Company, teller(s), scrutineer(s), shareholders, network service providers and other persons involved in voting on site, online or by other means shall have the obligation to keep confidential the information related to the voting.

**Article 97** A shareholder attending any general meeting shall vote for or against or abstain from voting on each proposal submitted to the meeting for voting, except the Securities Depository and Clearing Institution, as a nominee holder under the Mainland-Hong Kong Stock Connect Scheme, may make declarations according to the intentions of the actual holders.

In the event of any vote that is uncompleted, erroneously completed or invalid, or fails to be cast, the shareholder casting or failing to cast the same shall be deemed to have waived his/her voting right, and the voting results of the shares held by him/her shall counted as "abstaining from voting".

**Article 98** If the chairperson of a general meeting has any doubt about the result of voting on any resolution, the chairperson may request the votes cast to be counted. If the chairperson does not request the votes to be counted, any shareholder attending the meeting in person or by proxy shall have the right to request the votes to be counted immediately after the result of voting is declared if such shareholder objects to the result of voting, in which case, the chairperson shall immediately have the votes counted.

**Article 99** The resolutions of a general meeting shall be announced in a timely manner pursuant to the relevant laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed, and the announcement shall set forth the total number of shares entitled to attend and vote at the meeting, the total number of shares entitled to attend at the meeting but required to abstain from voting in favor pursuant to the Rule 13.40 of the HK Listing Rules, the total number of shares required to abstain from voting pursuant to the HK Listing Rules, the total number of shares voting in favor and the total number of shares voting against the resolution, among others.

**Article 100** The resolutions of a general meeting shall specifically indicate any proposal that fails to be adopted at the meeting or any amendment to any resolution of the previous general meeting in the corresponding announcement.

**Article 101** If a general meeting adopts any resolution on the appointment of Directors, the term of office of the newly appointed Directors shall commence from the date of adoption of the relevant resolution at the general meeting.

**Article 102** Any resolution on the distribution of cash or stock dividends or capitalization of capital reserve adopted at a general meeting shall be implement by the Company within two (2) months after the end of the meeting.

## **CHAPTER V DIRECTORS AND BOARD OF DIRECTORS**

### **Section I General Provisions for Directors**

**Article 103** Each Director of the Company shall be a natural person. No Director of the Company shall be a person who:

- (i) does not have capacity or only has limited capacity for civil conduct;
- (ii) has been subject to any criminal penalty due to embezzlement, bribery, encroachment, misappropriation of properties or disruption of the order of socialist market economy or been deprived of his/her political rights, and has completed his/her sentence not more than five (5) years; where a probation has been given, not exceeding two (2) years since the expiration of the probation period;
- (iii) has been the director, factory manager or general manager of any company or enterprise that went bankrupt and was liquidated not more than three (3) years, and is personally liable for the bankruptcy of such company or enterprise;
- (iv) has been the legal representative of any company or enterprise that had its business license revoked and was ordered to be closed down due to violation of law not more than three (3) years, and is personally liable for such violation;
- (v) is listed as a defaulter by a people's court since he/she owes a large amount of debts due and unpaid;
- (vi) has been and is still being banned by the CSRC from entering the stock market; or
- (vii) persons who were publicly identified by the stock exchange as being unsuitable to serve as directors or senior management of listed companies for a period which has not yet expired;
- (viii) is otherwise disqualified to serve as a Director of the Company pursuant to the applicable laws, administrative regulations, department rules and securities regulatory rules of the place where the Company's shares are listed.

The election and appointment of any Director in violation of the provisions of this Article shall be invalid and void. Any Director who becomes disqualified during his/her term of office pursuant to this Article shall be removed by the Company and cease to perform his/her duties.

**Article 104** Directors shall be elected or replaced at the general meeting and may be removed at the general meeting prior to the expiration of their term of office.

The term of office of the Directors is three (3) years and they are eligible for re-election at the end of the term. The term of office of the Directors shall be counted from the date of appointment until the expiration of the term of the current Board of Directors. When the Directors' term expires and re-election is not held in time, or where the resignation of a Director during his term of office causes the number of the members of the Board of Directors to be less than the quorum, the original Directors shall still perform their duties as Directors in accordance with laws, administrative regulations, departmental rules and these Articles before the re-elected Directors take office.

Subject to the relevant laws and administrative regulations, the general meeting may by ordinary resolution remove any Director during his/her term of office (but without prejudice to any right to damages pursuant to any contract).

Senior executives may serve as Director(s) concurrently, provided that the total number of Directors who are senior executives concurrently or employees' representatives shall not exceed one half (1/2) of the total number of Directors of the Company.

Where the Company has 300 employees or more, one (1) employees' representative of the Company shall serve as a member of the Board of Directors. The employees' representative(s) on the Board of Directors shall be democratically elected by the employees of the Company through staff assemblies, staff meetings or other means, and shall not be subject to consideration by the general meeting.

Any person appointed by the Board of Directors as a Director to fill a casual vacancy or as addition to the Board of Directors shall hold office only until the first following annual general meeting of the Company following his/her appointment, and shall then be eligible for re-election. Subject to the applicable laws and regulations, and the securities regulatory rules of the place where the Company is listed, if the Board of Directors appoints any new Director to fill a casual vacancy of the Board of Directors, such Director shall be subject to election by the shareholders at the general meeting immediately following his/her acceptance of the appointment.

**Article 105** Subject to the relevant laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles, each Director owes fiduciary duties to the Company and shall take measures to avoid conflicts between their own interests and those of the Company, and shall not use their powers to seek improper benefits.

Each Director owes fiduciary duties to the Company and shall:

- (i) not encroach on the properties or misappropriate any funds of the Company;
- (ii) not deposit any funds of the Company in any account opened in his/her name or the name of any other person;
- (iii) not take advantage of his/her powers to bribe or accept other illegal payments;

- (iv) not directly or indirectly enter into contracts or transactions with the Company unless he or she has reported the matter to the Board of Directors or the general meeting and obtained approval by resolution of the Board of Directors or the general meeting in accordance with these Articles;
- (v) not take advantage of his/her position in the Company to seek any business opportunities for himself/herself or any other person that are attributable to the Company, unless such business opportunities are not available to the Company upon reporting to the Board of Directors or the general meeting and obtaining approval through resolutions by the general meeting or as required in laws, administrative regulations and these Articles;
- (vi) not engage in any business same as the business of the Company himself/herself or for the benefit of any other person unless he or she has reported the matter to the Board of Directors or the general meeting and obtained approval by resolution of the Board of Directors or the general meeting;
- (vii) not receive any commission in any transaction between others and the Company;
- (viii) not disclose any secrets of the Company without authorization;
- (ix) not use his/her affiliation with the Company to the detriment of the interests of the Company; and
- (x) perform such other fiduciary duties as set forth in the relevant laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles.

Any Director violating the provisions of this Article shall surrender the proceeds derived therefrom to the Company and indemnify the Company for the losses arising therefrom.

The provisions of the item (iv) of the paragraph 2 of this Article shall apply to the conclusion of contracts or engagement in transactions with the Company by close relatives of the Directors and senior management or enterprises directly or indirectly controlled by the Directors and senior management or their close relatives, as well as persons who are otherwise related to the Directors and senior management.

**Article 106** Subject to the relevant laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles, each Director has a duty of care to the Company and shall fulfill their obligations with reasonable care generally due to managers in the best interests of the Company.

Each Director has a duty of care to the Company and shall:

- (i) prudently, seriously and diligently exercise the powers granted by the Company to ensure that the business activities of the Company comply with the applicable laws, administrative regulations and economic policies of the State, and fall within the scope of business set forth in the business license of the Company;
- (ii) fairly treat all shareholders;
- (iii) understand the situations of management and operation of the business of the Company;

- (iv) sign to confirm the regular reports of the Company in writing, and ensure the authenticity, accuracy and completeness of the information disclosed by the Company;
- (v) truthfully provide the relevant information and documents to the Audit Committee, and not interfere with the exercise of powers and duties by the Audit Committee; and
- (vi) perform such other duties of care as set forth in the relevant laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles.

**Article 107** The Directors shall jointly and severally perform their fiduciary duties and act with due skill, care and diligence, and in performing such duties, they must at least comply with the standards set forth in the laws of Hong Kong, in particular:

- (i) act honestly and in good faith in the overall interests of the Company;
- (ii) act for proper purposes;
- (iii) be answerable to the listed issuer for the application or misapplication of its assets;
- (iv) avoid actual and potential conflicts of interest and duty;
- (v) disclose fully and fairly his/her interests in contracts entered into with the listed issuer; and
- (vi) act with such degree of skill, care and diligence as may be reasonably expected of a person of his/her knowledge and experience and serving as a director of a listed issuer.

**Article 108** If any Director fails to attend in person or appoint another Director to attend on his/her behalf two (2) consecutive Board Meetings, such Director shall be deemed to be unable to perform his/her duties and the Board of Directors shall propose removal of such Director to the general meeting.

**Article 109** A Director may submit his/her resignation to the Company in writing prior to the expiration of his/her term of office, in which case, the resignation shall take effect on the date on which the Company receives the written resignation, and the Company shall disclose the relevant information within two (2) trading days.

If the resignation of any Director causes the number of Board members to be less than the quorum, or if such Director is an Independent Non-executive Director, the number of Independent Non-executive Directors to be less than one third (1/3) of the total number of members of the Board of Directors, or there is no professional accountant among the Independent Non-executive Directors, the resignation of such Director shall not take effect until a successor Director fills the vacancy arising from his/her resignation. The original Director shall perform his/her duties in accordance with the relevant laws, administrative regulations, departmental rules and these Articles until his/her successor is appointed and takes office.

The resigning Director shall state in his/her letter of resignation the time of resignation, reason of resignation, the posts he/she will resign, and whether he/she will continue to hold any post, and what posts he/she will continue to hold, in the Company and its controlled subsidiaries, among others. The provisions of this Article regarding letter of resignation shall mutatis mutandis apply to the resignation of senior executives.

**Article 110** The Company shall manage the departure of Directors and adopt safeguard measures to pursue accountability and compensation in respect of unfulfilled public undertakings and other outstanding matters. Any Director whose resignation has taken effect or term of office has expired shall perform all necessary hand-over procedures with the Board of Directors, and continue to be bound by the obligation to keep confidential the trade secrets of the Company until the relevant trade secrets have been made public, and other duties of loyalty to the Company and the shareholders shall remain valid till three (3) years after he/she terminates service with the Company. A Director's liabilities arising from the performance of his/her duties during his/her term of office shall not be released or terminated by reason of his/her departure from office. The provisions of this Article regarding the obligation of confidentiality and duty of fiduciary of the outgoing Directors shall *mutatis mutandis* apply to senior executives.

**Article 111** Subject to the provisions of these Articles, no Director shall act on behalf of the Company or the Board of Directors in his/her own name without lawful authorization of the Board of Directors. If any third party reasonably believes that a Director is acting on behalf of the Company or the Board of Directors, such Director shall make clear his/her position and identity in advance.

**Article 112** The Company shall be liable for any damages to others caused by a Director while he/she is performing his or her duties. The Director shall also be liable if such damages are caused with intention or due to his/her gross negligence.

In the event any violation by a Director of the relevant laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or these Articles in performing his/her duties in the Company, such Director shall indemnify the Company for the losses arising therefrom.

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

**Article 113** An Independent Non-executive Director is a Director who does not hold any office other than Director in the Company, or have any relationship with the Company and its substantial shareholders which could prevent him/her from making an independent and objective judgment, and meets the requirements for independence set forth in the securities regulatory rules of the place where the Company's shares are listed.

The Board shall have Independent Non-executive Directors. The number of Independent Non-executive Directors shall not be less than three (3), and not be less than one third (1/3) of the total members of the Board of Directors, of whom, at least one (1) of the Independent Non-executive Directors shall have appropriate professional qualifications or accounting or related financial management expertise, and at least one (1) of the Independent Non-executive Directors shall be ordinarily resident in Hong Kong.

If, at any time, the Independent Non-executive Directors of the Company cease to meet the requirements of the HK Listing Rules regarding the number, qualifications or independence of Independent Non-executive Directors, the Company shall immediately notify the SEHK, and publish an announcement, setting out the relevant circumstances and reasons, and within three (3) months after non-compliance with relevant regulations of the HK Listing Rules, appoint sufficient number of Independent Non-executive Directors to satisfy the relevant requirements of the HK Listing Rules.

**Article 114** The Independent Non-executive Directors shall conscientiously perform their duties in accordance with the relevant laws, administrative regulations, departmental rules, normative documents and the securities regulatory rules of the place where the Company's shares are listed, play a role in decision-making, supervision, check and balance, and professional consultation in the Board of Directors, so as to safeguard the overall interests of the Company and protect the legitimate interests of the minority shareholders.

The Company shall formulate the terms of reference for Independent Non-executive Directors, which shall set forth, among others, the qualifications, nomination, election, replacement, rights and obligations of the Independent Non-executive Directors, and be submitted to the general meeting for approval.

**Article 115** In the absence of explicit provisions in this Section regarding Independent Non-executive Directors, the provisions of the relevant laws, administrative regulations, departmental rules, normative documents, the securities regulatory rules of the place where the Company's shares are listed, and these Articles regarding Directors of the Company shall apply.

### **Section III Board of Directors**

**Article 116** The Company shall have a Board of Directors consisting of no less than seven (7) Directors with one (1) as Chairman. The Chairman shall be elected by a majority of the Directors.

**Article 117** The Board of Directors exercises the following powers and duties:

- (i) to convene a general meeting and submit a work report to such meeting;
- (ii) to implement the resolutions of a general meeting;
- (iii) to decide on the operation plan and investment scheme of the Company;
- (iv) to prepare the profit distribution plan and loss recovery plan of the Company;
- (v) to prepare the draft annual budget and final accounts of the Company;
- (vi) to prepare plans for the material acquisitions by the Company, acquisition of the Company's shares under the circumstances specified in items (i) and (ii) of Article 24 of these Articles, the merger, division, dissolution and change of the form of the Company;
- (vii) to decide on the Company's outbound investments, acquisition and sale of assets, pledge of assets, external guarantees, entrusted financial management, related (connected) transactions and external donations in accordance with the provisions of laws, regulations and securities regulatory rules of the place where the Company's shares are listed or within the scope of authorization of the general meeting;
- (viii) to decide, by resolution at a meeting of the Board of Directors attended by more than two-thirds (2/3) of the Directors, the plan to acquire the Company's shares under the circumstances specified in items (iii), (v) and (vi) of Article 24 of these Articles;

- (ix) to decide on the establishment of the internal management organizations of the Company;
- (x) to appoint or dismiss the General Manager, the Secretary of the Board of Directors and such other senior executives; to appoint or dismiss the senior executives including the Deputy General Managers and the Chief Financial Officer of the Company in accordance with the nominations made by General Manager, and to decide on their remunerations;
- (xi) to establish a basic management system of the Company;
- (xii) to prepare plans to amend these Articles;
- (xiii) to manage information disclosure by the Company;
- (xiv) to make the proposal of engaging or replacing an accounting firm to the general meeting;
- (xv) to hear the report by the General Manager of the Company and review the work performance of the General Manager; and
- (xvi) to exercise other powers and duties conferred by relevant laws, administrative regulations, departmental regulations, the securities regulatory rules of the stock exchange of the place where the Company's shares are listed or these Articles.

Any matters that are beyond the scope of authorization of the general meeting shall be submitted for deliberation at the general meeting.

**Article 118** If the certified public accountant appointed by the Company issues a modified audit opinion on any financial report of the Company, the Board of Directors shall explain the reasons to the general meeting.

**Article 119** The Board of Directors shall establish its rules of procedure to ensure the implementation of the resolutions of the general meeting, improve its efficiency and make scientific decisions.

**Article 120** The Board of Directors shall define the authority and establish stringent review and decision-making procedures in respect of outbound investments, acquisition and sale of assets, pledge of assets, external guarantees, entrusted financial management, related (connected) transactions and external donations, and with respect to any material investment, organize the relevant experts and professionals to review and assess such investment, and report the same to the general meeting for approval.

**Article 121** The Chairman shall exercise the following powers and duties:

- (i) to preside over the general meetings and convene and preside over the Board Meetings;
- (ii) to supervise and examine the implementation of the resolutions of the Board of Directors;
- (iii) to execute the documents of the Board of Directors and other documents required to be executed by the legal representative of the Company;
- (iv) in case of any extremely severe natural disaster, force majeure or emergency, to exercise the special right to dispose of the affairs of the Company for the benefit of the Company according to law, and report to the Board of Directors and the general meeting afterwards; and
- (v) to exercise other powers and duties delegated by the Board of Directors.

**Article 122** If the Chairman is unable or fails to perform his/her duties, more than half the Directors may elect one (1) of the directors to act on his/her behalf.

**Article 123** The Board shall meet regularly, but in any event at least four (4) times each year, or about once a quarter. The Board Meetings shall be convened by the Chairman, by giving fourteen (14) days' written notice to all Directors.

**Article 124** The Chairman shall, on requisition of the shareholders representing one tenth (1/10) or more of the voting rights of the Company, or one third (1/3) or more of the Directors, or the Audit Committee, or two (2) or more Independent Non-executive Directors, or the General Manager, convene and preside over an Extraordinary Board Meeting within ten (10) days after receiving such requisition.

**Article 125** The notice of an Extraordinary Board Meeting may be given in person, by post, facsimile, email or otherwise specified herein, three (3) days prior to the date of meeting.

Notwithstanding the notice period set forth above, if an Extraordinary Board Meeting needs to be held as soon as possible in case of any emergency, the meeting notice may be given by telephone or orally at any time, provided that the convener shall provide an explanation at the meeting.

**Article 126** The notice of a Board Meeting shall at least specify:

- (i) date and place of the meeting;
- (ii) duration of the meeting;
- (iii) subject matter and topics of the meeting; and
- (iv) date of notice.

**Article 127** No Board Meeting shall be held unless a majority of Directors is present at such meeting. Any resolution of the Board must be approved by a majority of Directors.

Each Director shall have one vote for any resolution of the Board.

**Article 128** The Board may accept a written proposal in lieu of holding a Board Meeting, provided that the draft of such proposal shall be delivered to each Director in person, by post, facsimile or email. Such proposal shall become a resolution of the Board after it has been delivered by the Board to all Directors, the number of Directors who have signed to consent to such proposal constitutes a required quorum for making a resolution, and the executed copies of such proposal have been delivered to the Secretary of the Board in such manner as set forth above, and shall be as effective as a resolution of the Board passed at a meeting held in accordance with the provisions of these Articles.

No regular meeting of the Board shall be held in the manner set forth in the first paragraph of this Article 129.

**Article 129** Any Director and senior executive who is, whether directly or indirectly, materially interested in any established or proposed contract, transaction or arrangement with the Company (except for their employment contract with the Company) shall promptly disclose the nature and degree of his/her interest to the Board, regardless of whether the relevant matter requires the approval of the Board under normal circumstances.

Save for the circumstances permitted by the HK Listing Rules and applicable regulations, the Directors shall not vote on any resolutions of the Board in respect of approving a contract, transaction or arrangement or any other related proposal in which these Directors or any of their close associates (as defined in the applicable HK Listing Rules in force from time to time) have a material interest. The Directors concerned shall also not be counted for the purpose of determining whether a quorum is present. A Board Meeting may be held with the attendance of a majority of the disinterested Directors, and the resolutions made at a Board Meeting shall be approved by a majority of the disinterested Directors. The matter shall be submitted to the general meeting for deliberation if the number of disinterested Directors present at the Board Meeting is less than three (3).

Unless the interested Director and senior executive have disclosed his/her interest to the Board in accordance with the requirements of the first paragraph of this Article, and the Board has approved such matter at a meeting in which he/she has not been counted a quorum, and has abstained from voting thereon, the Company shall have the right to cancel the relevant contract, transaction or arrangement, except that the counterparty is a bona fide party who did not know the violation of obligation by such Director and senior executives.

Any Director and senior executive shall also be deemed interested in a contract, transaction or arrangement if any of his/her related persons has an interest therein.

If a substantial shareholder (as defined in the applicable HK Listing Rules in force from time to time) or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter should be dealt with by a physical Board Meeting rather than a written resolution. Independent non-executive Directors, and whose close associates (as defined in the applicable HK Listing Rules in force from time to time), have no material interest in the transaction should be present at that Board Meeting.

**Article 130** Any resolution put to vote at a meeting of the Board shall be decided by a registered vote.

At an Extraordinary Board Meeting, to the extent that the Directors have sufficient opportunities to express their opinions, a resolution may be adopted by facsimile or other means and signed by the Directors attending the meeting.

**Article 131** A Director shall attend each meeting of the Board in person, or if he/she is unable to attend the meeting due to any reason, he/she may entrust any other Director in writing to attend on behalf of him/her. Such instrument of proxy shall specify the name of proxy, matters authorized, powers delegated and validity term, among others, and be signed or stamped by the principal. A Director attending a meeting as the proxy of another Director shall exercise the rights of a Director within the powers delegated by the principal. Any Director who fails to attend a Board Meeting in person or by proxy shall be deemed to have waived his/her voting rights at such meeting.

**Article 132** The Board shall cause minutes to be made in respect of its decisions on the matters discussed at each meeting, which shall be signed by all Directors present at such meeting.

The meeting minutes of the Board shall be placed on file of the Company for a period of not less than ten (10) years.

**Article 133** The minutes of a Board Meeting shall contain, among others:

- (i) date, place and name of convener of the meeting;
- (ii) names of the Directors present at the meeting and the Directors (proxies) attending the meeting on behalf of other Directors;
- (iii) agenda of the meeting;
- (iv) key points of the speeches delivered by each Director; and
- (v) method and result of voting on each resolution (including the number of votes for and against and abstentions).

**Article 134** The Board shall set up the Audit Committee to exercise the powers of the Supervisory Committee as prescribed under the Company Law and the powers prescribed under the securities regulatory rules of the place where the Company's shares are listed.

**Article 135** The Audit Committee shall comprise three or more Directors, all of whom shall be non-executive Directors and Directors who do not hold senior management positions in the Company, of whom more than half shall be independent non-executive Directors. The chairperson shall be an accounting professional among the independent non-executive Directors and shall possess the appropriate professional qualifications or appropriate accounting or related financial management expertise as required under the Hong Kong Listing Rules.

The employees' representative serving as a member of the Board of Directors may also serve as a member of the Audit Committee.

**Article 136** The Audit Committee shall have regular meetings and extraordinary meetings. Regular meetings shall be held at least twice a year, once every half year, and notice thereof shall be given by the chairperson to all members seven (7) days before the meeting. An extraordinary meeting may be proposed by any member of the Audit Committee or the secretary. A meeting of the Audit Committee shall only be held if more than two-thirds (2/3) of its members are present.

A resolution of the Audit Committee shall be passed by more than half of all its members.

Voting on resolutions of the Audit Committee shall be conducted on a one-person-one-vote basis.

Minutes shall be prepared for the resolutions of the Audit Committee in accordance with the applicable requirements, and the members of the Audit Committee attending the meeting shall sign the minutes.

The working rules of the Audit Committee shall be formulated by the Board of Directors.

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

**Article 137** The Board shall also set up the Strategy Committee, the Nomination Committee and the Remuneration and Appraisal Committee. Such Committees shall be accountable to the Board, perform their respective duties delegated by these Articles and the Board, and submit their proposals to the Board for deliberation. All members of such Special Committees shall be Directors. The Independent Non-executive Directors shall constitute a majority of members, and act as the conveners, of the Nomination Committee and the Remuneration and Appraisal Committee. The Board shall be responsible for formulating the terms of reference of such Special Committees to regulate their operation.

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

**Article 138** The Company shall have one (1) General Manager, who shall be appointed or removed by the Board.

The Company shall have several Deputy General Managers, one (1) Chief Financial Officer and one (1) Board secretary, all of whom shall be appointed or removed by the Board.

The General Manager, Deputy General Managers, Chief Financial Officer and the Secretary of the Board shall be the senior executives of the Company.

**Article 139** The provisions of these Articles in relation to the circumstances and the departure management system under which a person may not serve as a Director shall *mutatis mutandis* apply to the senior executives.

The provisions of these Articles regarding the duty of loyalty of Directors and the duty of care of Directors shall *mutatis mutandis* apply to the senior executives.

**Article 140** Any person who holds any administrative office (other than director or supervisor) in the controlling shareholder group of the Company shall not hold any office of senior executives in the Company concurrently.

The senior executives may receive their remunerations from the Company only, rather than from the controlling shareholder of the Company.

**Article 141** The General Manager shall have a term of office of three (3) years and may serve consecutive terms upon reappointment.

**Article 142** The General Manager of the Company is accountable to the Board of Directors and shall exercise the following powers and duties:

- (i) to be in charge of managing the Company's production and operation, organize the implementation of resolutions of the Board of Directors, and report to the Board of Directors;
- (ii) to organize the implementation of annual operating plans and investment scheme of the Company;
- (iii) to formulate internal management organization plan;
- (iv) to formulate a basic management system of the Company;
- (v) to formulate specific management system;
- (vi) to advise to the Board of Directors on the appointment or dismissal of the Deputy General Managers and the Chief Financial Officer;
- (vii) to decide on the appointment or dismissal of senior executives of the Company other than those who should be appointed or dismissed by the Board of Directors; and
- (viii) other powers and duties prescribed by these Articles and authorized by the Board of Directors;

The General Manager may present as a nonvoting delegate at meetings of the Board of Directors.

**Article 143** The General Manager shall prepare the terms of reference for the General Manager, and implement the same upon approval by the Board of Directors.

**Article 144** The terms of reference for the General Manager shall specify, among others:

- (i) conditions for convening, proceedings at and attendees of the meetings by the General Manager;
- (ii) respective duties and responsibilities and division of labor of the General Manager and other senior executives;
- (iii) application of the funds and assets of the Company, authority to enter into material contracts, and the system for reporting to the Board of Directors; and
- (iv) other matters that the Board of Directors deems necessary.

**Article 145** The General Manager may resign office prior to the expiration of his/her term of office, subject to the procedures and method of resignation set forth in his/her contract with the Company.

**Article 146** The Deputy General Manager shall be appointed or removed by the Board of Directors, assist the General Manager in his/her work, and be accountable to the General Manager.

**Article 147** The Company has one (1) Secretary of the Board of Directors who is responsible for matters such as preparing the Company's general meetings and Board Meetings, safekeeping documents, managing the information of the Company's shareholders and handling information disclosure.

The Secretary of the Board of Directors shall comply with the relevant provisions of the laws, administrative regulations, departmental rules and these Articles.

**Article 148** The Company shall be liable for any damages to others caused by a senior executive while he/she is performing his or her duties. The senior executive shall also be liable if such damages are caused with intention or due to his/her gross negligence.

Any senior executive who violates the relevant laws, administrative regulations, departmental rules or these Articles in performing his/her duties in the Company shall indemnify the Company for the losses arising therefrom.

**Article 149** The senior executives shall faithfully perform their duties, and safeguard the best interests of the Company and all shareholders. Any senior executive who fails to faithfully perform his/her duties or breaches the fiduciary duty shall indemnify the Company and the public shareholders for the damages arising therefrom according to law.

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

### **Section I Financial and Accounting System**

**Article 150** The Company shall establish its financial and accounting system in accordance with relevant laws, administrative regulations and requirements of the relevant authorities under the State.

**Article 151** The Company shall prepare a financial report at the end of each financial year, and such financial report shall be audited and verified.

The Company shall file, disclose and/or submit documents such as annual report, interim report, preliminary results announcement to shareholders in accordance with the laws and regulations of the place of listing, the listing rules of the stock exchange of the place where the Company's shares are listed and other regulatory documents.

**Article 152** The Company shall not keep any account book other than statutory account books. The Company's funds shall not be deposited in any account opened in the name of any individual.

**Article 153** The Company shall appropriate ten percent (10%) of the after-tax profits of each year as the statutory provident fund before distributing profits for such year; provided, however, when the accumulated statutory provident fund has exceeded fifty percent (50%) (inclusive) of the registered capital of the Company, such appropriation may be suspended.

If the statutory provident fund of the Company is insufficient to cover the loss in prior years, the profit in the current year shall be first applied to make up such loss before appropriation of the statutory provident fund as stated above.

After appropriating the statutory provident fund from the after-tax profits, the Company may, by resolution of the general meeting, further appropriate other surplus reserve from the after-tax profits.

Unless otherwise provided herein, the remaining after-tax profits after making up the losses and appropriating the provident fund shall be distributed to the shareholders in proportion to their respective shareholdings.

If the general meeting has, in violation of the provisions of the Company Law, distributed profits to the shareholders, the shareholders shall return the profits distributed in violation of the provision to the Company; where any loss is caused to the Company; the shareholders and the responsible Directors and senior executive(s) shall be liable for compensation.

The shares held by the Company shall not involve any profit distribution.

**Article 154** The provident fund of the Company are appropriated for purpose of making up the losses or expanding production and operation of the Company or increasing the registered capital of the Company.

Where the reserves are used for offsetting losses of the Company, the discretionary reserve fund and statutory provident fund shall be used in priority; if not sufficient, the capital reserve may be used according to regulations.

If the statutory provident fund is converted into the increased registered capital, the remaining statutory provident fund shall not be less than twenty-five percent (25%) of the Company's registered capital immediately prior to such capital increase through provident fund transfer.

**Article 155** After the general meeting adopts a resolution on any profit distribution proposal, or after having formulated a specific plan in accordance with the conditions and upper limit for interim dividends for the following year as considered and approved at the annual general meeting, the Board of Directors shall distribute the relevant dividends (or shares) within two (2) months.

**Article 156** The Company may distribute dividends in the form of cash or stock, as follows:

- (i) Principles of profit distribution: Each share of the Company shall be entitled to the same dividends, and the shareholders shall receive dividends and other profit distributions in proportion to their respective shareholdings. The Company adopts a positive policy as regards profit distribution, strives to provide a reasonable returns on investment to the investors, and maintains the continuity and stability of the returns.

The Company may distribute profits in the form of cash or stock, provided that the profits shall be distributed to the limit of aggregate profits distributable, and to the extent that the ability of the Company to continue as a going concern shall not be impaired. The Board, the Audit Committee and the general meeting of the Company shall give full consideration to the opinions of the Independent Non-executive Directors and the public investors in deciding and demonstrating its profit distribution policy.

- (ii) Forms of profit distribution: The Company may distribute the dividends in the form of cash, stock or a combination of cash and stock, and shall give preference to the distribution of profits in the form of cash to the extent that the Company meets the conditions for distribution of cash dividends.
- (iii) Conditions for distribution and proportion of cash dividends: The Company distributes profits primarily in the form of cash. Specifically, if the Company makes a profit in a year and the accumulated undistributed profit is positive, after meeting the Company's capital requirements for normal production and operation and making up the loss and appropriating the statutory provident fund and surplus reserve according to law, the Company shall distribute the remaining distributable profits in the form of cash.

**Article 157** The Company shall appoint one or more collecting agents for the shareholders of H Shares, who shall collect the dividends and other amounts payable in respect of H Shares, and hold such amounts on behalf of the relevant holders, and then pay the same to the relevant holders.

The collecting agents appointed by the Company shall meet the requirements of the laws or rules of stock exchange of the place where the Company's shares are listed.

## **Section II Internal Audit**

**Article 158** The Company shall adopt an internal audit system, which clearly defines the leadership system, responsibilities and authorities, personnel allocation, funding support, application of audit results and accountability for internal audit.

The internal audit system of the Company shall be implemented after being approved by the Board of Directors and disclosed to the public.

**Article 159** The internal audit function of the Company shall conduct supervision and inspection of matters including the Company's business activities, risk management, internal control and financial information.

The internal audit function shall maintain its independence and shall be staffed with full-time audit personnel. It shall not be placed under the leadership of the finance department or operate jointly with the finance department.

**Article 160** The internal audit function shall be accountable to the Board of Directors.

In the course of conducting supervision and inspection of the Company's business activities, risk management, internal control and financial information, the internal audit function shall be subject to the supervision and guidance of the Audit Committee. Where the internal audit function identifies any relevant material issue or clue, it shall report directly and immediately to the Audit Committee.

**Article 161** The specific organization and implementation of the Company's internal control evaluation shall be the responsibility of the internal audit function.

**Article 162** When the Audit Committee communicates with external audit institutions such as accounting firms and state audit authorities, the internal audit function shall actively cooperate and provide the necessary support and assistance.

**Article 163** The Audit Committee shall participate in the appraisal of the person in charge of internal audit.

### **Section III Appointment of Accounting Firm**

**Article 164** The Company shall appoint an accounting firm meeting the requirements of the Securities Law and the HK Listing Rules to audit the financial statements and verify the net assets of, and provide other counseling services to, the Company. The accounting firm shall have a term of office of one (1) year and may serve consecutive terms upon reappointment by the Company.

**Article 165** The appointment and dismissal of an accounting firm by the Company shall subject to approval of the general meeting. The Board of Directors shall not appoint an accounting firm before the decision of the general meeting.

**Article 166** The Company undertakes to provide true and complete accounting vouchers, account books, financial statements and other accounting data to its accounting firm, and shall not refuse to provide, conceal or falsely report any information.

**Article 167** The auditor's fees payable to the accounting firm shall be decided by the general meeting.

**Article 168** If the Company intends to remove or terminate the appointment of an accounting firm, the Company shall give ten (10) days' notice to such accounting firm. When the general meeting votes on the removal of an accounting firm, such accounting firm shall be given an opportunity to attend the general meeting and make written and/or oral representations to the shareholders at the general meeting.

If any accounting firm offers to resign, it shall explain to the general meeting whether the Company has engaged in any misconduct.

## **CHAPTER VIII NOTICES AND ANNOUNCEMENTS**

### **Section I Notices**

In respect of the manner in which the Company provides or sends corporate communications to the shareholders of H Shares as required under the HK Listing Rules, subject to compliance with the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles, such corporate communications may be provided or sent to the holders of H Shares through the Company's designated website and/or the SEHK website or via electronic means.

For the purpose of this Article, corporate communication means any document issued or to be issued by the Company for the information or action of any holders of H Shares or other persons required by the HK Listing Rules.

Any notice regarding the exercise of any powers/rights set forth herein that is given by way of announcement shall be published in such manner as required by the HK Listing Rules.

**Article 170** Notices given by the Company by way of announcement shall be deemed to have been received by all relevant persons upon such announcement.

**Article 171** The notice of any general meeting shall be delivered in person, by post, facsimile, email or otherwise set forth herein.

**Article 172** The notice of any Board Meeting shall be delivered in person, by post, facsimile, email or otherwise set forth herein.

**Article 173** Any notice given by the Company shall be deemed to have been delivered: if delivered in person, on the date the recipient signs or stamps the return receipt; if sent by post, the third working day from the date of posting; or if sent by way of announcement, on the date the announcement is published for the first time.

**Article 174** The accidental omission to give notice of a meeting to, or the non-receipt of any notice of a meeting by, any person entitled to receive such notice shall not invalidate such meeting or the resolution of such meeting.

## **Section II Announcements**

**Article 175** The media/websites designated by the Company and recognized by the stock exchange of the place where the Company's shares are listed shall be the media that the Company publishes announcements and other information required to be disclosed.

## **CHAPTER IX MERGER, SPIN-OFF, CAPITAL INCREASE AND REDUCTION, DISSOLUTION AND LIQUIDATION**

### **Section I Merger, Spin-off, Capital Increase and Reduction**

**Article 176** A merger involving the Company may be conducted by absorbing another company or newly establishing a company.

Merger by absorption is the combination of two or more companies in which one of the companies takes over the other companies involved, and statutory consolidation is the combination of two or more companies that join together to become a completely new company.

**Article 177** Where the consideration paid by the Company for a merger does not exceed 10% of the Company's net assets, the merger may be effected without a resolution of the general meeting, unless otherwise provided in these Articles.

Where a merger is effected by the Company without a resolution of the general meeting in accordance with the preceding paragraph, it shall be subject to a resolution of the Board of Directors.

**Article 178** In the event of any merger involving the Company, the Company shall enter into a merger agreement with other parties involved and prepare a balance sheet and a list of assets. The Company shall notify its creditors within ten (10) days after the adoption of the relevant resolution and publish announcements in the newspapers or on the National Enterprise Credit Information Publicity System recognized by the stock exchange of the place where the Company's shares are listed within thirty (30) days.

The creditors may request the Company to discharge its obligations or offer appropriate security within thirty (30) days after receiving such notice, or if they fail to receive such notice, within forty-five (45) days after the publication of such announcement.

**Article 179** In the event of any merger involving the Company, the surviving company or the newly established company shall assume all claims and debts of the parties involved in such merger.

**Article 180** In the event of any spin-off of the Company, its assets shall be divided accordingly.

In the event of any spin-off of the Company, the Company shall prepare a balance sheet and a list of assets, notify its creditors within ten (10) days after the adoption of the relevant resolution and publish announcements in the newspapers or on the National Enterprise Credit Information Publicity System recognized by the stock exchange of the place where the Company's shares are listed within thirty (30) days.

**Article 181** Unless otherwise agreed by the Company and its creditors in writing prior to such spin-off with respect to the discharge of obligations, the company spun off from the Company shall be jointly and severally liable for the obligations of the Company prior to such spin-off.

**Article 182** The Company shall prepare a balance sheet and a list of assets in the event it reduces registered capital.

The Company shall notify its creditors within ten (10) days after the adoption of the relevant resolution of the general meeting on the reduction of registered capital and publish announcements in the newspapers or on the National Enterprise Credit Information Publicity System recognized by the stock exchange of the place where the Company's shares are listed within thirty (30) days. The creditors may request the Company to discharge its obligations or offer appropriate security within thirty (30) days after receiving such notice, or if they fail to receive such notice, within forty-five (45) days after the publication of such announcement.

Where the Company reduces its registered capital, the amount of capital contribution or the shares held shall be reduced correspondingly in proportion to the shares held by the shareholders, except in the following circumstances:

- (i) where otherwise provided by law or these Articles; and
- (ii) where, after the matter of reduction of registered capital has been considered and approved by the general meeting in accordance with these Articles, the reduction of registered capital by the Company shall not be subject to the requirement of proportional reduction, and the Company may carry out a targeted capital reduction.

**Article 183** Where the Company still has losses after making up its losses in accordance with Paragraph 2 of Article 154 of these Articles, it may reduce its registered capital to make up such losses. Where registered capital is reduced to make up losses, the Company shall not make any distribution to shareholders, nor shall it exempt shareholders from their obligation to make capital contributions or pay up share subscriptions.

Where registered capital is reduced in accordance with the preceding paragraph, Paragraph 2 of Article 182 of these Articles shall not apply, provided that an announcement shall be made in a designated newspaper or on the National Enterprise Credit Information Publicity System within thirty (30) days after the adoption of the relevant resolution of the general meeting on the reduction of registered capital.

After the Company has reduced its registered capital in accordance with the preceding two paragraphs, it shall not distribute profits until the aggregate amount of the statutory provident fund and any discretionary reserve funds reaches 50% of the Company's registered capital.

**Article 184** Where registered capital is reduced in violation of the Company Law and other relevant provisions, the shareholders shall return the funds received by them, and where shareholders' capital contributions have been reduced or exempted, the original position shall be restored; where losses are caused to the Company, the shareholders and the responsible Directors and senior executive(s) shall be liable for compensation.

**Article 185** When the Company issues new shares to increase its registered capital, the shareholders shall not have pre-emptive rights to subscribe for such new shares, unless otherwise provided in these Articles or where the general meeting resolves that the shareholders shall have such pre-emptive rights.

**Article 186** In the event of any merger or spin-off of the Company, the Company shall go through the alteration registration procedures with its registration authority according to law with respect to any changes in its registration particulars. In the event of dissolution of the Company, the Company shall go through the deregistration procedures according to law. In the event of establishment of any new company, the Company shall register the establishment thereof according to law.

In the event of any increase or reduction of the registered capital of the Company, the Company shall go through the alteration registration procedures with its registration authority according to law.

## **Section II Dissolution and Liquidation**

**Article 187** The Company may be dissolved in any of the following circumstances:

- (i) the term of business of the Company stipulated in these Articles has expired or any other trigger for dissolution stipulated herein has occurred;
- (ii) the resolution of general meeting has resolved to dissolve the Company;
- (iii) the merger or division of the Company requires a dissolution;
- (iv) the business licence is revoked in accordance with the law, or the Company is ordered to close or is cancelled; or
- (v) if the Company gets into serious trouble in operations and management and continuation may incur material losses of the interests of the shareholders, and no solutions can be found through any other means, the shareholders holding ten percent (10%) or more of the voting rights of the Company may request the people's court to dissolve the Company.

Where the Company is subject to any of the grounds for dissolution specified in the preceding paragraph, it shall publicize such ground for dissolution through the National Enterprise Credit Information Publicity System within 10 days.

**Article 188** Under the circumstance set out in item (i) of Article 187, where the Company has not distributed its assets to shareholders, the Company may continue its operation by amending these Articles or by a resolution of the general meeting.

Any amendment to these Articles or any resolution of the general meeting made pursuant to the preceding paragraph shall be subject to approval of two thirds (2/3) or more of the votes held by the shareholders present at the general meeting.

**Article 189** Where the Company is dissolved under the circumstances set out in items (i), (ii), (iv) and (v) of Article 187, it shall be liquidated. The Directors shall be the persons responsible for the liquidation of the Company, and shall form a liquidation committee to conduct liquidation within fifteen (15) days from the date when the cause of dissolution occurred.

The liquidation committee shall comprise the Directors, unless otherwise provided in these Articles or unless other persons are appointed by a resolution of the general meeting.

Where the persons responsible for the liquidation fail to perform their liquidation obligations in a timely manner and thereby cause losses to the Company or its creditors, they shall be liable for compensation.

**Article 190** The liquidation committee shall perform the following powers and duties during the period of liquidation:

- (i) to conduct a thorough check of the properties of the Company and prepare a balance sheet and a list of assets;
- (ii) to notify the creditors directly or by publishing an announcement;
- (iii) to handle the outstanding business of the Company relating to the liquidation;
- (iv) to pay the taxes due and unpaid or payable during the process of liquidation;
- (v) to conduct a thorough check of the claims and obligations of the Company;
- (vi) to distribute the remaining assets of the Company after discharge of obligations; and
- (vii) to participate in civil litigation activities on behalf of the Company.

**Article 191** The liquidation committee shall notify all creditors within ten (10) days after its establishment and shall publish announcements in newspapers or on the National Enterprise Credit Information Publicity System recognized by the stock exchange of the place where the Company's shares are listed within sixty (60) days. The creditors shall file their claims with the liquidation committee within thirty (30) days after receiving such notice, or if they fail to receive such notice, within forty-five (45) days after the publication of such announcement.

In filing its claims, a creditor shall provide the particulars of such claims and the supporting documents. The liquidation committee shall register the claims filed by the creditors.

During the period for filing claims, the liquidation committee shall not repay any debt to any creditor.

**Article 192** After conducting a thorough check of the assets of the Company and preparing a balance sheet and a list of assets, the liquidation committee shall formulate a liquidation plan and submit the same to the general meeting or the people's court for approval.

The remaining assets of the Company after paying the costs of liquidation, the employees' salaries, social insurance contributions and legal compensation, taxes and debts of the Company shall be distributed to the shareholders in proportion to their respective shareholdings.

During the period of liquidation, the Company shall not engage in any business activity except for those relating to the liquidation.

The assets of the Company shall not be distributed to the shareholders before discharge of the obligations as described above.

**Article 193** After the liquidation committee has sorted out the assets of the Company and prepared a balance sheet and a property inventory, if it discovers that the Company's assets are insufficient to repay its debts in full, it shall apply to the people's court for bankruptcy liquidation in accordance with the law.

After the people's court has accepted the bankruptcy application of the Company, the liquidation committee shall hand over the liquidation affairs of the Company to the bankruptcy administrator designated by the people's court.

**Article 194** After completion of liquidation of the Company, the liquidation committee shall prepare a liquidation report and submit the same to the general meeting or the people's court for confirmation, then deliver the same to the Company's registration authority to apply for cancellation of the Company's registration.

**Article 195** The members of the liquidation committee shall perform their liquidation duties and owe duties of loyalty and diligence.

Any member of the liquidation committee shall be liable for compensation due to failure to perform his or her liquidation duties with due diligence and thereby causes losses to the Company; and shall indemnify the creditors of the Company for the losses arising from his/her misconduct or gross negligence.

**Article 196** If the Company declares bankruptcy according to law, the Company shall perform bankruptcy liquidation procedures according to the laws relating to bankruptcy of companies.

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

**Article 197** The Company shall amend these Articles under any of the following circumstances:

- (i) the amendment in the Company Law or the relevant laws, administrative regulations, departmental rules and securities regulatory rules of the place where the Company's shares are listed has caused contradiction between the matters stipulated in these Articles and the amended laws, administrative regulations, departmental rules and securities regulatory rules of the place where the Company's shares are listed;

In the event of any of the above circumstances, the amended laws, administrative regulations, departmental rules and the relevant provisions of the securities regulatory rules of the place where the Company's shares are listed shall prevail, and these Articles shall be amended in a timely manner.

- (ii) change in the condition of the Company which makes it inconsistent with the content sets out in these Articles; or
- (iii) the general meeting decides to amend these Articles.

**Article 198** The amendments of these Articles adopted by the general meeting of shareholders shall be submitted to the competent authorities for approval if they need to be approved by the relevant competent authorities. If an amendment to these Articles involves a registered particular of the Company, registration of the change shall be carried out in accordance with the law.

**Article 199** The Board shall amend these Articles in accordance with the resolutions of the general meeting and the comments of the competent authorities on any amendment hereto.

**Article 200** To the extent required by the applicable laws and regulations, the information about any amendment to these Articles shall be disclosed publically.

## **CHAPTER XI SUPPLEMENTARY PROVISIONS**

**Article 201** Definitions:

- (i) Controlling shareholder means any shareholder holding fifty percent (50%) or more of the share capital of a joint stock limited company, or holding not more than fifty percent (50%) of the share capital of the joint stock limited company, but holding such votes that are sufficient to exercise significant influence over the resolutions of the general meeting, or otherwise falling within the meaning of Rule 19A.14 of the HK Listing Rules.
- (ii) De facto controller means any natural person, legal person or other organization who actually possesses the power to direct the acts of the Company through investment, contract or other arrangement.
- (iii) Affiliation means the relationship between any controlling shareholder, de facto controller, Director or senior executive of the Company and any entity controlled by it or him/her directly or indirectly, or other relationship that may cause any transfer of the benefits of the Company, or otherwise falling within the meaning of the HK Listing Rules; provided, however, the entities controlled by the State shall not be deemed to be affiliated with each other solely because they are under common control by the State. The term “connected transaction” in these Articles shall have the meaning ascribed thereto under the Hong Kong Listing Rules.
- (iv) The term “independent Director” in these Articles shall have the same meaning as “independent non-executive Director” under the Hong Kong Listing Rules.

**Article 202** Subject to the provisions hereof, the Board of Directors may formulate detailed rules for implementation of these Articles, provided that such detailed rules shall not conflict with the provisions hereof.

**Article 203** These Articles shall be prepared in Chinese. In case of any discrepancy between different languages or versions of these Articles and these Articles, the Chinese version of these Articles most recently filed with the administration for industry and commerce shall prevail.

**Article 204** For purpose of these Articles, the terms “not less than” and “within” include the given figure, and the terms “less than”, “beyond”, “more than”, “lower than”, “over” and “exceeding” do not include the given figure.

**Article 205** The Board shall be responsible for the interpretation of these Articles.

**Article 206** The exhibits to these Articles include the rules of procedure for the General Meetings and the rules of procedure for the Board of Directors.

**Article 207** These Articles are formulated by the Board of Directors and submitted to the general meeting for approval, and shall take effect from the date of consideration and approval at the general meeting.