

北京市春立正達醫療器械股份有限公司  
**Beijing Chunlizhengda Medical Instruments Co., Ltd.\***  
(a joint stock limited company incorporated in the People's Republic of China with limited liability)

**Articles of Association  
(H+A Shares)**

\* For identification purposes only

## CONTENTS

<u>Chapter</u>	<u>Heading</u>	<u>Page</u>
Chapter 1	General Provisions .....	1
Chapter 2	Business Objectives and Scope.....	3
Chapter 3	Shares, Transfer of Shares and Registered Capital.....	4
Chapter 4	Reduction of Capital and Repurchase of Shares .....	9
Chapter 5	Financial Assistance for the Purchase of the Company's Shares .....	11
Chapter 6	Share Certificates and Register of Members .....	12
Chapter 7	Rights and Obligations of Shareholders.....	13
Chapter 8	General Meetings .....	19
Chapter 9	Special Procedures for Voting by a Class of Shareholders .....	37
Chapter 10	Board of Directors .....	40
	Section 1 Director .....	40
	Section 2 Independent Non-executive Directors.....	44
	Section 3 Board of Directors.....	50
	Section 4 Specialized Committees of the Board .....	55
Chapter 11	Secretary to the Board of the Company.....	58
Chapter 12	General Manager of the Company .....	69
Chapter 13	Qualifications and Obligations of Directors, General Manager and Other Senior Management of the Company .....	61
Chapter 14	Financial and Accounting System and Profit Distribution .....	65
Chapter 15	Internal Audit and Appointment of Accounting Firm .....	70
Chapter 16	Insurance.....	70
Chapter 17	Labour Unions .....	70
Chapter 18	Merger and Division .....	70
Chapter 19	Dissolution and Liquidation .....	73
Chapter 20	Procedures for Amendments to the Articles of Association.....	77
Chapter 21	Notices.....	77
Chapter 22	Supplementary Provisions .....	80

Note: In the marginal notes of the Articles of Association, “Company Law” refers to the Company Law of the People’s Republic of China\* (中華人民共和國公司法) (Amended in 2023);

“**Guidelines for Articles of Association**” refers to the **Guidelines for Articles of Association of Listed Companies (amended in 2025)\*** (上市公司章程指引(2025年修訂)) issued by CSRC;

“**Measures for the Administration of Independent Directors**” refers to the **Measures for the Administration of Independent Directors of Listed Companies\*** (上市公司獨立董事管理辦法) (No. 227 Order of CSRC\* (中國證券監督管理委員會令第227號)) issued by CSRC;

“**MB Listing Rules**” refers to the **Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited**. Among them, provisions such as Rule 1.01 (definitions of “meeting instruction” and “non-meeting instruction”), Rule 2.07D, Rule 2.07E, Rule 2.07F, and Note 4 to Rule 13.38 have not yet taken effect in accordance with **Proposals to Further Expand the Paperless Listing Regime and other Rule Amendments** issued by The Stock Exchange of Hong Kong Limited. These provisions will come into force on the effective date of the paperless securities market (expected to be the end of 2025);

“**MB Listing Rules App A1**” refers to **Appendix A1** of the MB Listing Rules; and

“**MB Listing Rules App C1**” refers to **Appendix C1** of the MB Listing Rules.

\* English translation for illustrative purposes only

## Chapter 1 General Provisions

<b>Article 1</b>	The Articles of Association are formulated by Beijing Chunlizhengda Medical Instruments Co., Ltd.* (the “Company”) pursuant to the Company Law of the People’s Republic of China (“Company Law”), Securities Law of the People’s Republic of China (“Securities Law”), Guidelines for Articles of Association of Listed Companies (amended in 2025) (“Guidelines for Articles of Association”), Measures for the Administration of Independent Directors of Listed Companies (“Measures for the Administration of Independent Directors”) and other relevant regulations, in order to protect the legitimate rights and interests of the Company, shareholders, employees and creditors thereof and regulate the organisation and behaviour of the Company.	Article 1 of Guidelines for Articles of Association
<b>Article 2</b>	The Company is a joint stock company with limited liability incorporated under the Company Law and the other relevant laws and administrative regulations of the PRC.	Article 2 of Guidelines for Articles of Association
	<p>The Company was established by the way of promotion and obtained the business license upon registration with the Beijing Administration for Industry and Commerce on 17 September 2010. Unified Social Credit Code of the Company is 91110000633737758W.</p> <p>The Company’s promoters were SHI Chunbao, YUE Shujun, SUN Weiqi, Beijing Xin’an Caifu Venture Investment Co., Ltd., JIN Jie, LIN Yiming, GU Changyue, HUANG Dong, WANG Haiya, HE Rongmei, NI Xuezhen, ZHANG Zhaohui and CHEN Xusheng.</p>	
<b>Article 3</b>	<p>Registered company name (Chinese): 北京市春立正達醫療器械股份有限公司 (English): Beijing Chunlizhengda Medical Instruments Co., Ltd.</p>	Article 4 of Guidelines for Articles of Association
<b>Article 4</b>	<p>Company address: No. 10 Ximmi Xi Er Road, Southern District of Tongzhou, Economic Development Zone, Tongzhou District, Beijing Postal code: 100021 Telephone: 010-58611761 Fax: 010-58611751</p>	Article 5 of Guidelines for Articles of Association

**Article 5** The legal representative of the Company shall be the Chairman of its Board of Directors who represents the Company in the execution of its affairs.

Article 8 of  
Guidelines  
for Articles  
of  
Association

If the Chairman of the Board of Directors resigns, he is deemed to have resigned as the legal representative at the same time.

If a legal representative resigns, the Company shall assign a new legal representative within thirty days from the date of the legal representative's resignation.

**Article 6** The Company is a joint-stock limited company with perpetual existence.

Articles 7  
and 10 of  
Guidelines  
for Articles  
of  
Association

As an independent corporate legal person, the Company has independent corporate assets, enjoys the corporate assets right and civil rights according to the laws, and assumes civil liabilities.

All the assets of the Company are divided into shares of equal value. Shareholders shall be responsible to the Company to the extent of the shares they subscribe for, and the Company shall be responsible for its liabilities with all of its assets.

**Article 7** This Articles of Association shall take effect on the date of the passing of the special resolution of the shareholders of the Company and supersede the former Articles of Association registered with the industry & commerce administration authority.

Article 11 of  
Guidelines  
for Articles  
of  
Association

From the date on which the Articles of Association come into effect, the Articles of Association shall constitute a legally binding document governing the Company's organisation and activities, and the rights and obligations between the Company and its shareholders and among the shareholders.

**Article 8** This Articles of Association shall be binding upon the Company as well as its shareholders, directors, general manager and other senior executives, and the aforesaid persons may claim any right in relation to the affairs of the Company in accordance with the Articles of Association.

Articles 11  
and 12 of  
Guidelines  
for Articles  
of  
Association

Without violating the provisions in Article 180 of this Articles of Association, the shareholders may pursue actions against the Company, other shareholders, the directors, general manager and other senior management of the Company pursuant

to the Articles of Association; the Company may pursue actions against its shareholders, directors, general manager and other senior management pursuant to the Articles of Association;

The actions referred to in the preceding paragraphs include filing an action to the court or submitting an application to an arbitration institution for arbitration.

Other senior management referred to in the preceding paragraphs include deputy general managers, chief financial officer, secretary to the Board and other personnel engaged by the Board.

**Article 9** According to its business development needs and as authorised by relevant governmental authorities, the Company may establish subsidiaries or affiliates including branches, representative offices or offices at abroad and in Hong Kong and Macau Special Administrative Regions and the Taiwan region.

**Article 10** The Company may invest in other enterprise(s). If the law stipulates that the Company may not be an investor jointly and severally liable to such enterprise(s) for their liabilities, the law shall apply.

Article 14 of  
Company  
Law

**Article 11** The Company shall, in accordance with the provisions of the Constitution of the Communist Party of China, establish the party organizations and carry out party-related activities. The Company shall provide necessary conditions for the activities of the party organizations.

Article 13 of  
Guidelines  
for Articles  
of  
Association

## Chapter 2 Business Objectives and Scope

**Article 12** The business objective of the Company is to provide the safest and the most effective quality products for the orthopedic patients in China and in the world.

Article 14 of  
Guidelines  
for Articles  
of  
Association

**Article 13** The scope of business operations of the Company shall fall within the scope authorised by the company approving authorities and approved by the relevant administrative authorities for industry and commerce.

Article 15 of  
Guidelines  
for Articles  
of  
Association

The scope of business operations of the Company includes: permitted businesses: the production of Class II medical devices; the production of Class III medical devices; the operation of Class III medical devices; the production of cosmetics. (For items that require approval by law, business activities can only be commenced after approval by the relevant departments, and specific business items are subject to the approval documents or permits of the relevant departments); general

businesses: the production of Class I medical devices; the sales of Class I medical devices; the sales of Class II medical devices; imports and exports of goods; the services, development, consultancy, communication, transference and promotion of technology; the research and experimental development of projects and technology; the additive manufacturing; the technology research and development of new materials; manufacturing of synthetic materials (excluding hazardous chemicals); 3D printing services; sale of hygiene products and disposable medical supplies; nonresidential property leasing. (In addition to items subject to approval by law, the Company shall independently carry out business activities with a business license according to the law) (Business activities shall not be engaged in items prohibited and restricted by the state and the city's industrial policies.)

The Company may change its scope of business operations according to the laws, in line with domestic and international market demands, its development capability and business requirements.

### **Chapter 3 Shares, Transfer of Shares and Registered Capital**

**Article 14** The Company shall have ordinary shares. The Company may, according to its requirements, create other class of shares, subject to the filing and approval procedures of the Securities Regulatory Authority of the State Council.

**Article 15** Shares of the Company shall be in the form of share certificates. All shares of the Company are issued at par with nominal value of RMB1.00 each.

The term “RMB” referred to in the preceding paragraph means Renminbi, the lawful currency of the PRC.

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

All shares of the same category issued at the same time shall be issued under the same conditions and at the same price; any entity or individual shall pay the same price for each share.

**Article 17** The Company's issuance of shares to domestic investors and overseas investors shall be subject to registration or filing procedures with the Securities Regulatory Authorities of the State Council in accordance with the law.

Articles 16  
and 18 of  
Guidelines  
for Articles  
of  
Association

Article 17 of  
Guidelines  
for Articles  
of  
Association

The term “overseas investors” referred to in the preceding paragraph means investors located in foreign countries, regions of Hong Kong, Macau and Taiwan who subscribe shares issued by the Company. The term “domestic investors” means investors located in the PRC, excluding the regions mentioned above, who subscribe shares issued by the Company.

**Article 18** Shares issued by the Company to domestic investors for subscription in RMB are referred to as domestic shares. Shares issued by the Company to overseas investors for subscription in foreign currencies are referred to as foreign shares. Domestic shares listed on domestic stock exchange are referred to as domestically-listed domestic shares. Foreign shares listed overseas are referred to as overseas listed foreign shares.

Articles 17  
and 19 of  
Guidelines  
for Articles  
of  
Association

The term “foreign currencies” referred to in the preceding paragraph means the freely convertible lawful currencies (other than RMB) of other countries or regions which are recognized by the foreign exchange authorities of the PRC and which can be used to pay the subscription money for shares of the Company.

Foreign shares issued by the Company and listed in Hong Kong are referred to as “H shares”. H shares are shares which have been admitted for listing on SEHK with a par value denominated in RMB and are subscribed and traded in Hong Kong dollars.

Domestically-listed domestic shares of the Company are referred to as “A shares”. A shares are the shares which have been registered for listing on domestic stock exchange with the PRC securities regulatory authorities with a par value denominated in RMB and are subscribed and traded in RMB.

The A shares of the Company are under centralized management by the PRC securities registration and clearance institution.

Unless otherwise stated by the Articles of Association, holders of domestic shares and holders of foreign shares are both ordinary shareholders, who are entitled to the same rights and obligations.

**Article 19** The Company issued 50,000,000 ordinary shares in total to the promoters at the time of establishment, among which, SHI Chunbao subscribed and held 22,772,917 shares, representing 45.55% of the total number of issued ordinary shares of the Company; YUE Shujun subscribed and held 18,093,750 shares, representing 36.19% of the total number of issued ordinary shares of the Company; SUN Weiqi

Article 20 of  
Guidelines  
for Articles  
of  
Association

subscribed and held 1,733,333 shares, representing 3.47% of the total number of issued ordinary shares of the Company; Beijing Xin'an Caifu Venture Investment Co., Ltd. subscribed and held 1,333,333 shares, representing 2.67% of the total number of issued ordinary shares of the Company; JIN Jie subscribed and held 1,333,333 shares, representing 2.67% of the total number of issued ordinary shares of the Company; LIN Yiming subscribed and held 1,160,000 shares, representing 2.32% of the total number of issued ordinary shares of the Company; GU Changyue subscribed and held 800,000 shares, representing 1.60% of the total number of issued ordinary shares of the Company; HUANG Dong subscribed and held 666,667 shares, representing 1.33% of the total number of issued ordinary shares of the Company; WANG Haiya subscribed and held 666,667 shares, representing 1.33% of the total number of issued ordinary shares of the Company; HE Rongmei subscribed and held 666,667 shares, representing 1.33% of the total number of issued ordinary shares of the Company; NI Xuezhen subscribed and held 400,000 shares, representing 0.80% of the total number of issued ordinary shares of the Company; ZHANG Zhaojun subscribed and held 266,666 shares, representing 0.53% of the total number of issued ordinary shares of the Company; CHEN Xusheng subscribed and held 106,667 shares, representing 0.21% of the total number of issued shares of the Company.

**Article 20** Upon the establishment of the Company, with approval from the PRC securities regulatory authorities and SEHK, the Company issued 19,170,400 ordinary shares by initial public offering, with all ordinary shares being H shares.

Article 21 of  
Guidelines  
for Articles  
of  
Association

Upon the completion of the above issue of H shares, the share capital structure of the Company is: SHI Chunbao, YUE Shujun, SUN Weiqi, JIN Jie, LIN Yiming, HUANG Dong, WANG Haiya, HE Rongmei, NI Xuezhen, ZHANG Zhaojun and CHEN Xusheng held 50,000,000 shares (being domestic shares) in total, representing approximately 72.29% of the total number of issued ordinary shares of the Company. Other H shareholders held 19,170,400 shares in total (being foreign shares), representing approximately 27.71% of the total number of issued ordinary shares of the Company.

On 22 November 2021, with the approval of CSRC (2021) Document No. 3702 (證監許可(2021)3702號文), the Company issued 38,428,000 shares of domestic shares by initial public offering and such issued domestic shares and domestic shares of the Company previously issued are listed on 30 December 2021.

With the approval from the Company's Annual General Meeting in 2021, the First Class Meeting of Holders of A Shares in 2022 and the First Class Meeting of Holders of H Shares in 2022, the Company repurchased and cancelled 711,500 H shares. Upon the cancellation of the H shares repurchased, the share capital structure of the Company is: total share capital of 383,568,500, among which 288,428,000 shares are domestically-listed domestic shares, representing 75.20% of total issued ordinary shares of the Company; 95,140,500 shares are overseas listed foreign shares, representing 24.80% of ordinary share capital of the Company.

**Article 21** Where the Company issues overseas listed foreign shares and domestic shares separately within the total number of shares stated in the Company's proposal for the issuance of shares, such shares shall be fully subscribed at one time respectively. If the shares cannot be fully subscribed at one time in special circumstances, the shares may be issued through separate offerings subject to the approval of the PRC securities regulatory authorities.

**Article 22** The Company's registered capital is RMB383,568,500.00.

Article 6 of  
Guidelines for  
Articles of  
Association

**Article 23** In light of the demands of operation and business development, the Company may increase its capital in accordance with the laws and regulations and subject to resolution at the general meeting, by any of the following methods:

Article 23 of  
Guidelines for  
Articles of  
Association

- (I) Offering of shares to unspecified targets;
- (II) Offering of shares to specified targets;
- (III) Distributing new shares to existing shareholders;
- (IV) Conversion the capital reserve funds into capital;
- (V) Other methods prescribed by laws and administrative regulations and the CSRC.

**Article 24** Unless otherwise specified by the laws, administrative regulations and required by the SEHK, the Company's shares may be transferred freely and shall be clear of any lien.

Article 28 of  
Guidelines for  
Articles of  
Association

**Article 25** The Company does not accept its own shares as the subject matter of pledge.

Article 29 of  
Guidelines for  
Articles of  
Association

**Article 26** Shares of the Company issued prior to the public offering shall not be transferred within 1 year from the date the shares of the Company are listed and traded on stock exchange.

Articles 30  
and 31 of  
Guidelines  
for Articles  
of  
Association

The directors and senior management of the Company shall report to the Company the shares of the Company that they hold and the changes in their shareholdings, and during his/her term of service determined at the time of taking office, he/she shall not transfer more than 25% of his/her total shareholding of the same class of the Company each year. The Company's shares held by these people shall not be transferred within 1 year after the listing date of the Company's shares. The aforesaid people shall not assign the Company's shares that they hold within half a year after departure. If the transfer restriction under this Article involves H shares, it shall be approved by the SEHK.

When the directors and senior management of the Company and shareholders holding more than 5% of the Company's shares sell their shares within 6 months from the acquisition of such shares, or purchase shares within 6 months from the disposal of such shares, the resulting gains are owned by the Company and the Board of Directors of the Company shall recover its resulting gains. However, the disposal of such shares by securities companies holding more than 5% of the shares as a result of the outstanding shares (after-sale) acquired under underwriting is not subject to the time limit of 6 months.

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

If the Board of Directors of the Company fails to comply with provisions of the third paragraph of this Article, shareholders have the right to request the Board of Directors to do so within 30 days. The shareholders have the right to initiate litigation in the court directly in their own names for the interest of the Company if the Board of Directors fails to comply with the provisions within the abovementioned period.

If the Board of Directors of the Company fails to comply with the third paragraph of this Article, the responsible directors shall assume joint liabilities.

## Chapter 4 Reduction of Capital and Repurchase of Shares

**Article 27** The Company may reduce its registered capital in accordance with the provisions of the Articles of Association.

Article 24 of  
Guidelines  
for Articles  
of  
Association

The reduction in registered capital of the Company shall follow the procedures set forth in the Company Law, other relevant regulations and the Articles of Association.

**Article 28** In case of reduction of its registered capital, the Company shall prepare a balance sheet and assets list.

Article 183  
of Guidelines  
for Articles  
of  
Association

The Company shall give a notice to its creditors within 10 days and shall publish an announcement on newspapers designated by the stock exchange of the place where the Company's shares are listed or on the National Enterprise Credit Information Publicity System within 30 days from the date of the Company's resolution on reduction of registered capital. The creditors may request the Company to settle liabilities or provide guarantees in respect thereof within 30 days of the receipt of the above notice or, if no notice is received, within 45 days after the first announcement is made.

When the Company reduces its registered capital, it shall reduce the amount of capital contributions or shares in proportion to the shareholders' shareholdings, unless otherwise stipulated in the law or the Articles of Association.

**Article 29** The Company may, in the following circumstances, repurchase its own issued and outstanding shares following the procedures provided under the laws and this Articles of Association, and subject to approval of the relevant state approval authority:

Article 25 of  
Guidelines  
for Articles  
of  
Association

- (I) to cancel shares for reducing capital of the Company;
- (II) to merge with other companies which own shares in the Company;
- (III) to apply shares for the employee stock ownership scheme or equity incentives;
- (IV) repurchase of shares held by the shareholders who voted against proposals for merger or division in the general meeting of the Company and subsequently request the company to do so;

- (V) to apply shares for conversion of convertible corporate bonds issued by the Company;
- (VI) to be essential for the Company to maintain the corporate value and interests of shareholders; and
- (VII) other circumstances as permitted by the laws and administrative regulations.

Save for the above circumstances, the Company shall not repurchase the shares of the Company.

**Article 30** The Company may repurchase its own shares through centralized transactions open to the public or other methods recognized by laws, administrative regulations and the CSRC or relevant regulatory authorities.

Article 26 of  
Guidelines  
for Articles  
of  
Association

The Company shall, subject to the reasons set forth in the subparagraph (III), (V), (VI) of the first article of Article 29 of this Articles of Association, repurchase its shares by centralized transactions open to the public.

**Article 31** The Company shall, in the event of repurchase of the Company's shares under the circumstances required in the subparagraph (I), (II) of the first article of Article 29 of this Articles of Association, be subject to the resolution in the general meeting.

Article 27 of  
Guidelines  
for Articles  
of  
Association

The Company may, in the circumstances of repurchase of the Company's shares under the circumstances required in the subparagraph (III), (V), (VI) of the first article of Article 29 of this Articles of Association, comply with the requirements of this Articles of Association or authorization by the general meeting, subject to the resolution by more than two-thirds of the directors present in the Board meeting.

After the repurchase of the shares in accordance with the first article of Article 29 of Articles of Association, if under the circumstance mentioned in subparagraph (I), cancel them within 10 days after the purchase; or if under either circumstance mentioned in subparagraph (II) or (IV), transfer them or cancel them within 6 months; if under the circumstances of subparagraph (III), (V), (VI), the total number of shares of the Company held by the Company shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within 3 years.

Where a listed company acquires any of the Company's shares, the obligation of information disclosure shall be performed in accordance with the Securities Laws.

Where the Company cancels its shares as a result of share repurchases, it shall make an application to its original registration authority to modify the registration on its registered capital.

The amount of the Company's registered capital shall be reduced by the aggregate par value of those shares cancelled.

## **Chapter 5 Financial Assistance for the Purchase of the Company's Shares**

**Article 32** No financial assistance shall be provided by the Company or its subsidiaries (including affiliated enterprises of the Company) in the form of, among others, gifts, advances, guarantees, or lending to others to acquire the shares of the Company or its parent company, except for implementation of the Company's employee shareholding scheme.

For the benefit of the Company, pursuant to a resolution passed by the general meeting, or a resolution passed by the Board of Directors in accordance with the Articles of Association or authorization of the general meeting, the Company may provide financial assistance to others to acquire the shares of the Company or its parent company, but the cumulative total amount of financial assistance shall not exceed 10% of the total issued share capital. Such resolution of the Board of Directors shall be approved by more than two-thirds of all directors.

**Article 33** The following activities shall not be deemed to be prohibited by Article 32 of this Chapter:

- (I) the provision of financial assistance is given in good faith in the interests of the Company and the principal purpose in giving such assistance is not for acquisition of shares in the Company, or the giving of the assistance is an incidental part of an overall plan of the Company;
- (II) the distribution of the assets of the Company by way of dividends in accordance with the laws;
- (III) distribution of dividends in the form of shares;
- (IV) reduction of registered capital, repurchase of shares, adjustment of shareholding structure in accordance with the Articles of Association;

- (V) provision of a loan by the Company within its scope of business and in the ordinary course of its business (provided that the same does not lead to a reduction in the net assets of the Company or that if the same constitutes a reduction, the financial assistance is deducted from the Company's distributable profit); and
- (VI) the provision of money by the Company for an employee shareholding scheme (provided that the same does not lead to a reduction in the net assets of the Company or that if the same constitutes a reduction, the financial assistance is deducted from the Company's distributable profit).

## **Chapter 6 Share Certificates and Register of Members**

**Article 34** The Company shall keep a register of members based on the evidence furnished by share registries. The register of members shall be the sufficient evidence of the shareholders' shareholding in the Company.

**Article 35** All fully paid-up overseas listed foreign shares listed in Hong Kong are freely transferable pursuant to the Articles of Association. The Board may refuse to recognize any instrument of transfer without explanation unless such transfer is in compliance with the following conditions:

- (I) instrument of transfer and any other documents related to the ownership of any shares or likely to affect the ownership of any shares shall be registered, and made payment to the Company for such registration according to the expenses stipulated by the Hong Kong Listing Rules;
- (II) the instrument of transfer involves only the overseas listed foreign shares listed in Hong Kong;
- (III) the stamp duty payable on the instrument of transfer as required by the laws of Hong Kong has been paid;
- (IV) the relevant share certificates and evidence reasonably required by the Board showing that the transferor has the right to transfer such shares shall be provided;
- (V) if the shares are to be transferred to joint holders, the number of such joint holders shall not exceed 4;

- (VI) the relevant shares shall be free from any lien created by any company;
- (VII) no share shall be transferred to a minor or an individual with unsound mind or a legally incapacitated individual.

If the Board refuses to register a share transfer, the Company shall send the transferor and the transferee a notice of refusal to register the said share transfer within 2 months after the application for transfer is submitted.

<b>Article 36</b>	When the Company intends to convene a general meeting, distribute dividends, enter into liquidation and engage in other activities that involve confirmation of shareholding, the Board or the convener of the general meeting shall determine the date of record, after the close of which date registered shareholders in the register of members are the shareholders entitled to enjoy the relevant rights and interests.	Article 33 of Guidelines for Articles of Association
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## **Chapter 7 Rights and Obligations of Shareholders**

<b>Article 37</b>	A shareholder of the Company is a person who lawfully holds shares of the Company and has his name recorded in the register of members.	Article 32 of Guidelines for Articles of Association Rules 14(3) and 18 of MB Listing Rules App A1
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A shareholder of the Company shall enjoy the relevant rights and assume the relevant obligations in accordance with the class and number of shares he holds. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations. All classes of shareholders of the Company shall have equal rights in any profit distribution in the form of dividend or in any other form.

For a corporate shareholder, its legal representative or a proxy appointed thereby shall exercise the rights on its behalf, including attending and voting at any general meeting of the Company. Where a corporate shareholder is so represented, it shall be treated as being present at any meeting in person.

<b>Article 38</b>	Holders of ordinary shares of the Company shall have the following rights:	Articles 34 and 35 of Guidelines for Articles of Association Rules 14(3) and 20 of MB Listing Rules App A1
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- (I) to receive dividends and distribution of profits in any other form in proportion to the number of shares held;
- (II) to request, convene, preside over, attend general meetings either in person or by proxy and exercise the right to speak and voting right in accordance with the laws;

- (III) to supervise the business activities of the Company and to put forward proposals and raise inquiries;
- (IV) to transfer, give or pledge the shares held by them in accordance with the laws, administrative regulations and the Articles of Association;
- (V) to inspect and copy the Articles of Association, the register of members, minutes of general meetings, resolutions of Board meetings and financial accounting reports. Shareholders who meet the requirements may inspect the Company's accounting books and documents;
- (VI) to participate in the distribution of the residual assets of the Company in proportion to the number of shares held in the event of termination or liquidation of the Company;
- (VII) shareholders against the mergers or divisions of the Company tabled at the general meeting, to request the Company to buy back its shares; and
- (VIII) other rights conferred by the laws, administrative regulations, departmental rules and the Articles of Association.

If any shareholder requests to inspect and copy the relevant information of the Company, he/she/it shall comply with laws and administrative regulations such as the Company Law and the Securities Law, and provide the Company with written documents bearing evidence of the class and number of shares of the Company held by him/her/it, and the Company shall provide the information as required by the said shareholder upon verification of his/her/its identity. The Company may suspend the registration of the Hong Kong branch register of members in accordance with the provisions under Article 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

**Article 39** Shareholders shall have the right to request the court to invalidate any resolution of the general meeting of the Company or the meeting of the Board which runs against the laws and administrative regulations.

If the convening procedure and voting method of a general meeting or a meeting of the Board run against the laws, administrative regulations or the Articles of Association or if the content of any resolution runs against the Articles of Association, the shareholders shall have the right to request the court to cancel the resolution within 60 days after the adoption of the resolution. However, this does

Article 36 of  
Guidelines  
for Articles  
of  
Association  
Articles 25  
and 26 of  
Company  
Law

not apply if the convening procedure or voting method of a general meeting or a Board meeting have only minor flaws that have no substantial impact on the resolution.

Where the Board of Directors, shareholders and other stakeholders dispute the validity of a resolution of a 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 cancellation of the resolution, the stakeholders shall execute the resolution of the general meeting. The Company, its 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 the relevant matter, the Company shall fulfil its obligations to disclose the information in accordance with laws, administrative regulations, the regulations of the CSRC and the stock exchange, fully explain the impact of the judgement or ruling on the Company, and actively cooperate with the authorities in the enforcement of the judgement or ruling after it has come into effect. Where previous matters need to be corrected, the Company shall handle the correction in a timely manner and fulfil its obligations to disclose the information accordingly.

**Article 40** Resolutions of the general meeting or Board meeting of the Company shall not be valid under any of the following circumstances:

- (I) no general meetings or Board meetings has been convened to pass the resolution;
- (II) the resolution is not voted on at the general meeting or Board meeting;
- (III) the number of persons attending the meeting or the number of voting rights held by them does not reach such number as provided for in the Company Law or the Articles of Association;
- (IV) the number of persons agreeing to the resolution or the number of voting rights held by them does not reach such number as provided for in the Company Law or the Articles of Association.

**Article 41** If any director (other than the members of the audit committee) or senior management violates the laws and regulations or the Articles of Association in fulfilling their duties, thereby incurring any loss of the Company, the

Article 37 of  
Guidelines  
for Articles  
of  
Association  
Article 27 of  
Company  
Law

Article 38 of  
Guidelines  
for Articles  
of  
Association

shareholder(s) separately or jointly holding more than 1% of the shares of the Company for more than 180 consecutive days shall have the right to submit a written request to the audit committee to institute legal proceedings in the court; if any member of the audit committee violates the laws and regulations or the Articles of Association in fulfilling its duties, thereby incurring any loss of the Company, the said shareholders shall have the right to submit a written request to the Board to institute legal proceedings in the court.

If the audit committee or the Board of Directors refuses to institute legal proceedings after receipt of the aforesaid written request or does not institute legal proceedings within 30 days after receipt of the said request, or if the circumstance is urgent or any delay of legal proceedings may incur irrecoverable damage to the interests of the Company, the shareholders as specified in the preceding paragraph shall have the right to directly institute legal proceedings in the court in their own names for the interests of the Company.

If any other person infringes the legitimate rights and interests of the Company, thereby causing any loss of the Company, the shareholders as specified in the first paragraph of this Article may institute legal proceedings in the court pursuant to the preceding two paragraphs.

Where any directors, supervisors or senior management of a wholly-owned subsidiary of the Company violate the provisions of laws, administrative regulations or the Articles of Association during the performance of their duties and cause losses to the Company, or if any third parties infringe upon the legitimate rights and interests of a wholly-owned subsidiary of the Company and cause losses, the shareholders severally or jointly holding one percent or more of the Company's shares for a period of one hundred and eighty consecutive days or longer, in accordance with the provisions of the first three paragraphs of Article 189 of the Company Law, are entitled to request the board of supervisors, the board of directors of the wholly-owned subsidiary to initiate legal proceedings with the People's Court in writing or directly initiate legal proceedings with the People's Court in their own names.

Where a wholly-owned subsidiary of the Company has no board of supervisors or supervisors but establishes an audit committee, the provisions of paragraphs 1 and 2 of this Article shall apply.

**Article 42** If any director or senior management violates the laws and regulations or the Articles of Association, thereby incurring any loss of the shareholders, the shareholders may institute legal proceedings in the court.

**Article 43** Holders of ordinary shares of the Company shall assume the following obligations:

- (I) to comply with laws, administrative regulations and the Articles of Association;
- (II) to pay subscription money according to the number of shares subscribed and the method of subscription;
- (III) to take responsibility for the Company to the extent of the shares subscribed;
- (IV) not to divest the shares except otherwise provided by the laws and regulations;
- (V) not to abuse their rights as shareholders to damage the interests of the Company or other shareholders; and not to abuse the Company's independent status of legal entity or shareholders' limited liability to damage the interests of the creditors of the Company;

A shareholder who abuses shareholder's right shall be liable for indemnification to any loss so caused to the Company or other shareholders according to the laws.

A shareholder who abuses the Company's independent status of legal entity or shareholder's limited liability to evade debts thereby causing serious damage to the interests of the creditors of the Company shall bear joint liability for the Company's debts.

- (VI) substantial shareholders shall give a timely, true and complete report to the Board regarding a name list of their liaison persons and the information about their connected transactions;
- (VII) other obligations imposed by the laws, administrative regulations and the Articles of Association.

Shareholders are not liable to make any further contribution to the share capital other than the terms as agreed by the subscriber of the Relevant Shares at the time of subscription.

Article 39 of  
Guidelines  
for Articles  
of  
Association  
Article 190  
of Company  
Law  
Articles 40  
and 41 of  
Guidelines  
for Articles  
of  
Association  
Article 21 of  
Company  
Law

Where a shareholder of A Share holding 5% or more voting shares of the Company pledges any shares in his/her possession, he/she shall report the pledge to the Company in writing on the day upon occurrence of the pledge.

The pledge from shareholder of H share shall be in compliance with the relevant requirements stipulated by Hong Kong Stock Exchange.

#### **Article 44**

The controlling shareholder(s) or de facto controller(s) of the Company shall exercise their rights and fulfill their obligations in accordance with laws, administrative regulations, and provisions of the CSRC and the stock exchange, to safeguard the interests of the listed company.

Articles 42 and 43 of Guidelines for Articles of Association Article 192 of Company Law

The controlling shareholder(s) or de facto controller(s) of the Company shall abide by the following provisions:

- (I) exercise shareholder rights in accordance with the law, not to abuse controlling interest, or exploit connected relationships to harm the legitimate rights and interests of the Company or other shareholders;
- (II) strictly fulfill public statements and commitments made, without unauthorised changes or waivers;
- (III) strictly fulfill information disclosure obligations in accordance with relevant regulations, actively cooperate with the Company in information disclosure work, and promptly inform the Company of significant events that have occurred or are about to occur;
- (IV) shall not misappropriate the Company's funds in any way;
- (V) shall not coerce, instruct, or require the Company and related personnel to illegally provide guarantees;
- (VI) shall not seek benefits using the Company's undisclosed significant information, shall not disclose any undisclosed significant information about the Company in any way, and shall not engage in insider trading, short term trading, market manipulation, or other illegal activities;
- (VII) shall not damage the legitimate rights and interests of the Company and other shareholders through unfair connected transactions, profit distribution, asset reorganisation, external investments, or any other means;

- (VIII) ensure the integrity of the Company's assets, personnel independence, financial independence, institutional independence, and business independence, and shall not in any way affect the Company's independence;
- (IX) comply with laws, administrative regulations, provisions of the CSRC, business rules of the stock exchange and other provisions of the Articles of Association.

The controlling shareholder(s) or de facto controller(s) of the Company who do not serve as director(s) of the Company but actually carry out the Company's affairs shall be subject to the provisions of the Articles of Association regarding the fiduciary duty and diligence duty of director(s).

If any controlling shareholder(s) or de facto controller(s) of the Company instruct directors or senior management to engage in actions that harm the interests of the Company or shareholders, they shall be jointly liable with the director or senior management concerned.

**Article 45** If any controlling shareholder(s) or de facto controller(s) pledge the Company's shares held or actually controlled by them, they should maintain the Company's control rights and ensure its stable production and operation.

Articles 44 and 45 of Guidelines for Articles of Association

**Article 46** The controlling shareholder referred to in the preceding article means a shareholder who holds 50% or more of the total share capital of a joint stock limited company or a shareholder who holds less than 50% of the total shares but holds voting rights sufficient to have a significant influence on resolutions of the general meeting.

Article 202 of Guidelines for Articles of Association

## Chapter 8 General Meetings

**Article 47** The general meeting is the Company's authoritative organ which shall exercise its functions and powers in accordance with the laws.

Article 46 of Guidelines for Articles of Association

**Article 48** The general meeting shall exercise the following functions and powers:

- (I) to elect and replace directors and decide on matters relating to their remuneration;
- (II) to consider and approve the reports of the Board of Directors;

Articles 46 and 47 of Guidelines for Articles of Association

Rule 17 of MB Listing Rules App A1

- (III) to consider and approve the Company's profit distribution plans and loss recovery plans;
- (IV) to resolve the increase or reduction of the Company's registered capital;
- (V) to resolve the merger, division, dissolution, liquidation of the Company or change of corporate form;
- (VI) to resolve the issue of corporate debentures;
- (VII) to resolve the appointment, dismissal or non-reappointment of accounting firms, and decide on matters relating to their remuneration;
- (VIII) to amend the Articles of Association;
- (IX) the following guarantees shall be considered and approved,
  - ① any provision of guarantee, where the total amount of external guarantees provided by the Company or its subsidiaries reaches 50% or above of the latest audited net assets;
  - ② guarantee, where the guarantee amount aggregated over a period of 12 consecutive months exceeding 30% of the latest audited total assets;
  - ③ any provision of guarantee, where the total amount of external guarantees provided by the Company or its subsidiaries exceeding 30% of the latest audited total assets;
  - ④ any provision of guarantee to anyone whose gearing ratio exceeds 70%;
  - ⑤ any provision of a single guarantee in the amount exceeding 10% of the latest audited net assets;
  - ⑥ any provision of guarantee to shareholders, de facto controller and other connected parties;
  - ⑦ other external guarantees as defined by the laws and regulations, and the listing rules of the domicile country where the shares of the Company are listed that are subject to the consideration and approval at the general meeting.

- (X) to consider the purchase and disposal of material assets by the Company within a year which account for more than 30% of the latest audited total assets of the Company;
- (XI) to consider share incentive plans and the employee stock ownership scheme;
- (XII) to consider and approve the matters regarding change in use of proceeds;
- (XIII) to consider the matters regarding connected transactions that shall be approved by the general meeting as stipulated by the listing rules of the domicile country where the shares of the Company are listed;
- (XIV) to resolve other issues which require approvals by the general meeting as stipulated by the laws, administrative regulations, the listing rules of the stock exchange on which the Company's shares are listed and the Articles of Association.

Matters which shall be determined by the general meeting according to the laws, administrative regulations and the Articles of Association shall be resolved at general meetings in order to protect the decision-making rights of shareholders of the Company on such matters. The board of directors may be authorized by the general meeting whenever necessary and reasonable to make decisions within its scope of authorization as delegated by the general meeting on specific matters which are relevant to the matters to be resolved and cannot be approved forthwith at the general meeting.

An authorization to the board of directors by the general meeting in relation to matters to be decided by ordinary resolutions shall be passed by shareholders (including their proxies) representing more than half of the voting rights present at the general meeting; an authorization to the board of directors in relation to matters to be decided by special resolutions shall be passed by shareholders (including their proxies) representing more than two-thirds of the voting rights present at the general meeting. The contents of the authorization shall be clear and specific.

<b>Article 49</b>	Unless the Company is in a crisis or other special circumstances, the Company shall not, without approval of a special resolution at a general meeting, enter into any contract with any person other than a director, general manager and other senior management whereby the administration of the whole or any substantial part of the business of the Company is to be handed over to such person.	Article 85 of Guidelines for Articles of Association
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**Article 50** General meetings are divided into annual general meetings and extraordinary general meetings. Annual general meetings are held once a fiscal year and within 6 months from the end of the preceding fiscal year.

Under any of the following circumstances, the Board shall convene an extraordinary general meeting within 2 months from the date of the occurrence:

- (I) the number of directors is less than the quorum required by the Company Law or two-thirds of the number of directors specified in the Articles of Association;
- (II) the accrued losses of the Company amount to one-third of the total amount of its paid-up capital;
- (III) shareholder(s) severally or jointly holding 10% or more of the Company's outstanding issued shares carrying voting rights request(s) the convening of the meeting;
- (IV) it is deemed necessary by the Board of Directors to convene an extraordinary general meeting;
- (V) the audit committee propose to convene an extraordinary general meeting; or
- (VI) other circumstances stipulated by laws, administrative regulations, departmental rules or the Articles of Association.

**Article 51** The venue of general meeting of the Company is the domicile of the Company or other place notified by the convener of the general meeting.

The general meeting shall be held onsite in a physical venue or by electronic communication or a combination of the two.

The Company can provide convenience for shareholders to attend the general meeting through online access and various modern information technologies, provided that the general meeting is legal, valid and the conditions are met. Shareholders who participate in the general meeting virtually through the above-mentioned technologies shall be deemed as having attended the meetings, and can vote electronically through the Internet.

Articles 48 and 49 of Guidelines for Articles of Association Article 113 of Company Law Rule 14(1) of MB Listing Rules App A1

Article 50 of Guidelines for Articles of Association Rule 14(6) of MB Listing Rules App A1

When the Company holds a general meeting in the form of electronic communication and votes online, it shall be carried out in accordance with the Company Law and the relevant regulations of the securities regulatory authorities and stock exchanges where the Company's shares are listed.

**Article 52** When the Company convenes a general meeting, lawyers will be appointed to issue legal opinions and make public announcement on the following matters:

- (I) whether or not the procedures of convening and holding the meeting are in accordance with the relevant laws, administrative regulations and this Articles of Association;
- (II) whether or not the qualifications of the personnel attending the meeting and the qualifications of the convener are legal and effective;
- (III) whether or not the voting procedure and voting results of the meeting are legal and effective;
- (IV) legal opinions issued on the other related matters as requested by the Company.

**Article 53** When the Company convenes an annual general meeting, written notice of the meeting shall be given at least 21 days before the date of the meeting (where the Company convenes an extraordinary general meeting, written notice of the meeting shall be given at least 15 days before the date of the meeting). The period of the dispatching of the notice shall exclude the date convening the meeting.

**Article 54** When the Company convenes a general meeting, meeting of the Board of Directors and audit committee, shareholders severally or jointly holding more than 1% of the total number of shares shall have the right to propose resolutions.

When the Company convenes a general meeting, shareholders severally or jointly holding more than 1% of the total number of shares may propose extraordinary resolutions and submit it in writing to the convener no later than 10 days prior to the date of the general meeting. The convener shall issue a supplemental notice of general meeting within 2 days after receiving the resolutions and make public announcement to publish the content of the extraordinary resolutions, and submit the same to the general meeting for consideration, provided that the extraordinary resolutions may not violate laws, administrative regulations or the provisions of the Articles of Association, or fall within the scope of functions and powers the

Article 51 of  
Guidelines  
for Articles  
of  
Association

Article 60 of  
Guidelines  
for Articles  
of  
Association  
Rule 14(2) of  
MB Listing  
Rules App  
A1

Article 59 of  
Guidelines  
for Articles  
of  
Association  
Article 115  
of Company  
Law

general meeting. If the listing rules of the stock exchange on which the shares of the Company are listed provide otherwise, their requirements shall also be satisfied at the same time.

Except for the circumstances prescribed in the preceding paragraph, the convener, after issuing the announcement of the general meeting notice, shall not modify the resolutions that have already been set out in the notice of the general meeting or include any new resolutions.

The contents of a proposal shall be within the scope of the Company's operation as well as the terms of reference of the general meeting, and have definite agenda and specific matters for resolution, and shall comply with the relevant provisions of the laws, administrative regulations and the Articles of Association.

**Article 55** Resolutions that are not set out in the notice of a general meeting or do not comply with the provisions of the Articles of Association, shall not be voted and resolved at the general meeting.

Article 59 of  
Guidelines  
for Articles  
of  
Association

**Article 56** A notice of a general meeting shall include the followings:

(I) the time, place and duration of the meeting;

(II) the matters and proposals submitted to the meeting for consideration;

(III) the record date for shareholders who are entitled to attend the general meeting;

(IV) contain a conspicuous statement that all holders of ordinary shares are entitled to attend general meetings and speak and vote at the meetings; a shareholder entitled to attend, speak and vote is entitled to appoint in writing a proxy to attend, speak and vote on his/her behalf and such proxy is not necessarily be a shareholder;

(V) the name and telephone number of the contact person for the meeting;

(VI) the voting time and procedures for voting via the internet or other means.

Article 61 of  
Guidelines  
for Articles  
of  
Association  
Rules 1.01,  
2.07A and  
2.07D of MB  
Listing Rules  
Rule 14(3) of  
MB Listing  
Rules App  
A1

Notice of a general meeting and a supplementary notice shall fully and completely disclose all the specific contents of all resolutions.

In the case where the internet or other means will be adopted at the general meeting, the voting time and voting procedure of internet or other means shall be clearly stated in the notice of the general meeting. The start time of the online voting or other means of voting of the general meeting shall not be earlier than 3:00 p.m. on the day before the general meeting to be held onsite in a physical venue, and shall not be later than 9:30 a.m. on the day before the holding of the onsite general meeting in a physical venue, and its end time shall not be earlier than 3:00 p.m. on the day before the end of general meeting held onsite in a physical venue.

The interval between the registration date of shares and the meeting date should not be more than 7 working days. The registration date of shares should not be changed upon confirmation.

Notice of a general meeting shall be served on the shareholders (whether or not entitled to vote at the meeting) by delivery in person or prepaid mail or by the means as prescribed by Article 175 of the Articles of Association to their addresses as shown in the register of members. For the holders of domestic shares or unlisted foreign shares, notice of a general meeting may be issued by announcement; for holders of overseas listed foreign shares, notice of a general meetings can also be delivered or made through the Company's website or methods as stipulated by the Listing Rules from time to time, provided that such act does not violate the laws, administrative regulations and the listing rules of the stock exchange on which the Company's shares are listed.

Any notice, information or written statement of a general meeting issued to shareholders shall be deemed to have been received by all shareholders once they are published on the websites of the SEHK and the Company.

The Company may also issue or provide the aforementioned notice, information or written statement of a general meeting to shareholders by other means as prescribed by Article 176 of the Articles of Association, provided that the laws, regulations and listing rules of the places where the Company is registered and listed are not violated.

Notwithstanding any provisions of the Articles of Association, if the regulatory authority for securities trading in the place where the shares of the Company are listed stipulates that the Company may adopt a mechanism for sending and receiving meeting instructions and non-meeting instructions by electronic means, such stipulation shall apply.

Meeting instructions refer to any instructions given by the Company's securities holders regarding any meeting of its holders of securities, including an indication as to attendance at, and instructions relating to proxies for, such meeting. Instructions relating to proxies include their appointment and revocation (if any) and indications as to how they shall vote on any particular proposal at the meeting.

Non-meeting instructions refer to any instructions given by the Company's securities holders in response to any corporate communication that seeks instructions from the Company's securities holders on how they wish to exercise their rights or make an election as the Company's securities holders.

<b>Article 57</b>	The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the meeting and the resolutions passed at the meeting.	Article 175 of Guidelines for Articles of Association
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<b>Article 58</b>	After the notice of general meeting is issued, the general meeting shall not be delayed or cancelled without proper reasons, and the resolutions listed in the notice of general meeting shall not be cancelled. In case of delay or cancellation, the convener shall make public announcement and explain the reason at least 2 working days before the convening date originally scheduled.	Article 63 of Guidelines for Articles of Association
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<b>Article 59</b>	The Board of the Company and other conveners will take necessary measures to ensure the normal order of the general meeting. In the case where there are acts that interfere with the general meeting, picking quarrels and provoking trouble and infringe upon the legitimate rights and interests of shareholders, measures will be taken to halt such acts and report will be made to relevant departments for investigation and handling in a timely manner.	Article 64 of Guidelines for Articles of Association
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<b>Article 60</b>	Any shareholder entitled to attend, speak and vote at a general meeting shall be entitled to appoint one person (whether a shareholder or not) as his/her proxy (proxies) to attend, speak and vote on his/her behalf.	Article 65 of Guidelines for Articles of Association Rules 14(3), 18 and 19 of MB Listing Rules App A1
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That every member shall be entitled to appoint a proxy who needs not necessarily be a member of the issuer and that every shareholder being a corporation shall be entitled to appoint a representative to attend and vote at any general meeting of the issuer and, where a corporation is so represented, it shall be treated as being present at any meeting in person. A corporation may execute a form of proxy under the hand of a duly authorised officer.

Clearing house must be entitled to appoint proxies or corporate representatives to attend the issuer's general meetings and creditor's meetings and those proxies or corporate representatives must enjoy rights equivalent to the legal rights of other shareholders, including the right to speak and vote.

**Article 61** Where the proxy form is signed by an attorney authorised by the principal, the power of attorney or other authorisation instruments shall be notarised. The notarised power of attorney and other authorisation instruments, together with the proxy form, shall be lodged at the address of the Company or such other place as specified in the notice to the meeting, or provided to the Company through alternative means (such as electronic means), provided that the laws, regulations and listing rules of the places where the Company is registered and listed are not violated.

If a principal is a legal person, its legal representative or any other person authorised by its Board of Directors or by other authority body may attend a shareholders' meeting on behalf of such principal.

The Company has the right to request a proxy attending a general meeting on behalf of shareholder to produce his identification document.

If a legal person corporate shareholder (save for a recognised clearing house or its nominees) appoints a proxy to attend the meeting on its behalf, the Company has the right to request the proxy to produce his identification document and a notarised copy of the resolution or power of attorney issued by the relevant board of directors or other authoritative body.

**Article 62** Any instrument issued to a shareholder by the Board of the Company for use in appointing a proxy shall be in such format as to enable the shareholder to instruct the proxy to vote in favour of or against the resolutions according to his/her free will, and instructions shall be given in respect of each individual matter to be voted on at the meeting.

Individual shareholders attending a meeting in person should present their identity cards or other valid documents or certificates that can identify themselves, and stock account cards; in the event that the proxies will attend a meeting on their behalf, they should present their valid identification documents and the instrument of proxy authorised by the shareholders.

Article 66 of  
Guidelines  
for Articles  
of  
Association  
Rule 18 of  
MB Listing  
Rules App  
A1

A legal person shareholder should have a legal representative or a proxy authorised by the legal representative to attend a meeting on its behalf. The legal representative who attend a meeting should present his identification and a valid document which can prove that he/she is qualified to act as a legal representative; in the event that a proxy authorised by the legal representative is to attend a meeting, the proxy shall present his/her identity card and the written power of attorney issued by the legal representative of the legal person shareholder unit according to law.

**Article 63** The Company is responsible for making the attendance register of the meeting for the personnel attending the meeting. The attendance register contains the names of the personnel attending the meeting (or name of the unit), identity card numbers, residential addresses, the number of shares with voting rights held by shareholders or represented by their proxies present at the meeting, the names of the persons represented by proxies (or name of the unit) and other matters.

Article 69 of  
Guidelines  
for Articles  
of  
Association

**Article 64** The convener and the lawyer appointed by the Company will jointly verify the legality of the qualifications of shareholders in accordance with the register of members provided by the institutions of securities registration and settlement, and register the names (or titles) of the shareholders and the number of shares held by them. The meeting registration shall be terminated right before the chairman of the meeting announces the number of shareholders and proxies present at the venue of the meeting and the total number of shares with voting rights held by them.

Articles 70,  
72 and 79 of  
Guidelines  
for Articles  
of  
Association

In the event that the chairman of the general meeting violates the rules of procedure in the course of the meeting, and the general meeting cannot continue, one person can be elected to act as the chairman of the meeting in order to continue the meeting upon consent of more than half of the voting rights held by the shareholders present at the general meeting.

The convener shall ensure that the general meeting is held continuously until a final resolution is formed. In the event that the general meeting is adjourned or unable to make a resolution due to force majeure and other special reasons, necessary measures shall be taken to resume the convening of the general meeting

Rule 14(4) of  
MB Listing  
Rules App  
A1

as soon as possible or terminate this general meeting directly, and public announcement should be made in a timely manner. At the same time, the convener should report to the local institution of the CSRC in the region where the Company is located and the stock exchange.

**Article 65** When a general meeting requires directors and senior management to be present at the meeting, the directors and senior management shall be present at the meeting.

Article 71 of  
Guidelines  
for Articles  
of  
Association

**Article 66** The Company shall formulate the Rules of Procedures of the general meeting, which specifies the procedures for the holding a general meeting and voting at a general meeting, including notification, registration, consideration and approval of resolutions, voting, counting of votes, announcement of voting results, formation of meeting resolutions, meeting minutes and signatures, announcements; and the principles in relation to making authorization by the general meeting to the Board of Directors, whereas the contents of authorization should be clear and specific. The Rules of Procedures of the general meeting shall be treated as annexes to the Articles of Association and shall be formulated by the Board, subject to approval by the general meeting.

Article 73 of  
Guidelines  
for Articles  
of  
Association

**Article 67** The Board of Directors should, at the annual general meeting, report to the general meeting their work in the past year. Each independent directors should also report on their work.

Article 74 of  
Guidelines  
for Articles  
of  
Association

**Article 68** Directors and senior management shall explain and address the enquiries and suggestions of the shareholders at the general meeting.

Article 75 of  
Guidelines  
for Articles  
of  
Association

**Article 69** The chairman of the meeting shall, prior to voting, announce the number of shareholders and proxies present at the venue of the meeting and the total number of shares with voting rights held by them, each subject to that recorded by the meeting.

Article 76 of  
Guidelines  
for Articles  
of  
Association

**Article 70** Resolutions of a general meeting are classified as ordinary resolutions and special resolutions.

Article 80 of  
Guidelines  
for Articles  
of  
Association

An ordinary resolution of a general meeting shall be passed by affirmative votes of more than half of the voting rights of shareholders (including their proxies) present at the meeting.

A special resolution of a general meeting shall be passed by affirmative votes of more than two-thirds of the voting rights of shareholders (including their proxies) present at the meeting.

**Article 71** In voting at general meetings, shareholders shall exercise their voting rights in accordance with the number of their voting shares. Each share shall have one vote.

In the event that the material issues to be considered and approved at the general meeting will affect the interests of small and medium investors, the voting of the small and medium investors shall be counted separately. The results of the separate counting of votes shall be publicly disclosed in a timely manner.

Shares held by the Company shall not have any voting rights and shall not be counted into the total number of shares with voting rights present at the general meeting.

If a shareholder buys the voting shares of the Company in violation of the provisions of paragraphs 1 and 2 of the Article 63 of the Securities Law, the voting rights of the exceeding part of regulated proportion cannot be exercised in the following 36 months after purchase and such part shall not be accounted into the total amount of voting shares presenting on the general meeting.

The Board of the Company, independent directors, the shareholder(s) holding 1% or more of voting shares, or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC can make public solicitation of voting rights held by shareholders. When soliciting the voting rights of shareholders, the information in respect to specific voting intention should be fully disclosed to the persons being solicited. To solicit the voting rights of shareholders at the expense of payment or payment in disguise is forbidden. Except as required by law, in respect of solicitation of voting rights, no restriction should be imposed by the Company on the minimum proportion of shareholding.

In reviewing and considering matters relevant to connected transactions at a general meeting, if required by the listing rules of the stock exchange on which the Company's shares are listed, the connected shareholders shall abstain from voting and the number of voting shares represented by them shall be excluded from the total effective votes. The announcement of the resolution of the general meeting shall fully disclose the voting situation of the non-connected shareholders.

Where any shareholder is, under the applicable laws and regulations and the listing rules of the stock exchange on which the shares of the Company are listed, required to abstain from voting on a particular resolution or restricted to voting only for (or against) a particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

**Article 72** The general meeting is voted by roll-call votes.

Before a resolution is voted on at a general meeting, two shareholder representatives shall be recommended to participate in the vote count or overseeing. If a shareholder has connection with the matters under consideration, such shareholder and the proxy shall not participate in vote count or overseeing.

When a resolution is voted on at a general meeting, a lawyer and shareholder representatives shall be responsible together to count and oversee the votes and declare the results of such vote on the spot and the results of the vote shall be recorded in the meeting minutes.

Any shareholder of the Company or the proxy of such shareholder shall have right to verify the results of his vote through the corresponding voting system if such shareholder or the proxy of such shareholder has voted by way of internet or any other means.

A shareholder who attends any general meeting shall express one of the following opinions with regard to the resolutions submitted: voting for, against or abstention. The securities registration and clearing institution shall act as the nominee for the shares under Stock Connect between the Mainland and Hong Kong, except when declared according to the intention of the actual holder.

The voter shall be deemed to have given up the voting rights in respect of any voting polls not completed, completed wrongly or illegible and the results of the vote with respect to the number of shares held by such voter shall be “abstention”.

**Article 73** Except the cumulative voting system, a general meeting shall vote on each resolution on a case by case basis. If there are more than one resolution regarding the same matter, vote shall be made on the resolutions raised in the order of time. Unless a general meeting is adjourned or no resolutions can be made for special reasons such as force majeure, voting of such resolutions shall neither be shelved nor refused at the general meeting.

Articles 90,  
91 and 93 of  
Guidelines  
for Articles  
of  
Association

Articles 87,  
88 and 89 of  
Guidelines  
for Articles  
of  
Association

When considering a resolution at a general meeting, no amendments shall be made thereto. Otherwise, any change made thereto shall be considered as a new resolution, for which the voting shall not proceed in that meeting.

The same vote may only be cast once at the physical location of a general meeting, or by online voting or other means. In the event of multiple casting of the same vote, only the outcome of the first casting of such vote shall be counted.

**Article 74** The following matters shall be resolved by an ordinary resolution at a general meeting:

- (I) work report of the Board of Directors;
- (II) profit distribution plan and loss recovery plan formulated by the Board;
- (III) election or removal of members of the Board, their remuneration and manner of payment;
- (IV) such matters other than those required to be passed by special resolutions under the laws and administrative regulations and the listing rules of the stock exchange on which the Company's shares are listed or the Articles of Association.

**Article 75** The following matters shall be resolved by a special resolution at a general meeting:

- (I) increase or reduction in share capital, repurchase of shares, and issuance of shares of any class, stock warrants or other similar securities of the Company;
- (II) division, spin-off, merger, dissolution or liquidation of the Company;
- (III) amendments to the Articles of Association;
- (IV) the purchase and disposal of material assets by the Company or the guaranteed amount within a year which account for more than 30% of the latest audited total assets of the Company;
- (V) share incentive plans; and

Article 81 of  
Guidelines  
for Articles  
of  
Association

Article 82 of  
Guidelines  
for Articles  
of  
Association  
Rule 16 of  
MB Listing  
Rules App  
A1

(VI) such other matters as required by the laws, administrative regulations or the Articles of Association, and considered by the general meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company and shall be adopted by a special resolution.

**Article 76** Shareholders, independent directors or the audit committee requisitioning an extraordinary general meeting or class meeting of shareholders shall abide by the following procedures:

(I) The shareholders severally or jointly holding 10% or more of the shares carrying the right to vote at the meeting (excluding treasury shares) sought to be held or the audit committee or more than half of the independent directors shall, by signing one or more counterpart requisition in writing stating the object of the meeting, require the Board to (1) convene an extraordinary general meeting or a class meeting; and (2) to include any proposed resolutions in the agenda of the meeting. The Board shall give the feedbacks in writing on whether to convene the extraordinary general meeting or the class meeting or not within 10 days after receiving such requisition in writing. The shareholdings referred to above shall be calculated as of the date of the deposit of the requisition by the shareholders.

(II) If the Board of Directors agrees to convene the extraordinary general meeting or the class meeting, it shall serve a notice of general meeting or class meeting within 5 days after the resolution is made by the Board of Directors. In the event of any change to the original proposal set forth in the notice, the consent of the original proposer shall be obtained.

(III) If the Board does not agree to the proposals to convene the extraordinary general meeting or the class meeting, or serves no feedback within 10 days upon receipt of such proposals, the shareholders individually or jointly holding 10% or more of shares carrying voting rights at the meeting intended to be held have the right to propose to the audit committee to convene an extraordinary general meeting or class meeting and shall request the audit committee in writing.

(IV) If the audit committee agrees to convene the extraordinary general meeting or class meeting, it shall serve a notice of general meeting or class meeting within 5 days after receipt of the request. In the event of any change to the original proposal set forth in the notice, the consent of the original proposer shall be obtained.

Articles 17,  
52, 53, 54,  
55, 56 and 57  
of Guidelines  
for Articles  
of  
Association  
Rule 14(5) of  
MB Listing  
Rules App  
A1

(V) If the audit committee fails to give the notice of the general meeting within the specified time limit, it shall be deemed that the audit committee does not convene and preside over the meeting, in which case, the shareholders individually or jointly holding more than 10% of shares for over 90 consecutive days may themselves convene and preside over such a meeting with the procedures as similar as possible as that in which general meetings are to be convened by the Board. The shareholding of the convening shareholder(s) shall not be below 10% before the announcement of the resolutions of general meeting.

With regard to the general meeting convened by the audit committee or shareholders on their own, a written notice shall be issued to the Board of Directors and filed with the stock exchange, and the Board of Directors and its secretary shall offer cooperation. The Board of Directors shall provide a register as of the shareholding registration date.

The audit committee or the convening shareholders shall, upon issuing the notice of the general meeting and the announcement of the resolutions of the general meeting, submit relevant supporting documents to the stock exchange.

Where the Board of Directors does not agree with the independent directors' proposal to convene an extraordinary general meeting, its reasons shall be given, and an announcement shall be made.

Any reasonable expenses incurred by shareholders or the audit committee in convening and presiding over a meeting by reason of the failure of the Board of Directors to duly convene a meeting as requested above shall be borne by the Company and shall be set off against sums owed by the Company to the directors in default.

Except for those matters in relation to commercial secrets of the Company which cannot be made public at the general meeting, Directors and senior management shall respond to and address the enquiries and suggestions of the shareholders.

**Article 77** A general meeting shall be presided over by the chairman of the Board. If the chairman is unable or fails to exercise his/her duties, the meeting shall be presided over by a Director jointly elected by more than half of the Directors.

Article 72 of  
Guidelines  
for Articles  
of  
Association

A general meeting convened by the audit committee on its own shall be presided over by the convener of the audit committee. In the event that the convener of the audit committee is unable or fails to perform his/her duties, a member of audit committee jointly elected by more than half of member of the audit committee shall preside over the meeting.

A general meeting convened by shareholders on their own shall be presided over by the convener or representative elected by him/her.

**Article 78**

An on-site general meeting shall not end earlier than the one held on the Internet or by other methods. The chairman of the meeting shall announce details and results of the voting on each resolution, and announce whether a resolution is passed according to the voting results.

Article 92 of  
Guidelines  
for Articles  
of  
Association

Before the formal announcement of voting results, companies, vote counters, vote scrutineers, shareholders, network service providers and other related parties involved in the on-site general meeting, online voting and other voting methods shall be under a confidentiality obligation relating to the details of the voting.

**Article 79**

If the convener of the meeting has any doubt as to the result of a resolution put to the vote, he may have the votes counted. If the convener of the meeting fails to have the votes counted, any shareholder who is present in person or by proxy and who objects to the result announced by the convener of the meeting may demand the votes be counted immediately after the announcement of the voting result, and the convener of the meeting shall have the votes counted promptly.

Article 94 of  
Guidelines  
for Articles  
of  
Association

**Article 80**

An announcement on the resolutions of a general meeting shall be made promptly. The announcement should list the number of shareholders or their proxies present at the meeting, the total number of voting shares of such shareholders or proxies, the ratio of such voting shares to total voting shares of the Company, the means by which votes were cast, the voting result for each proposal, and the particulars of each resolution passed.

Articles 95,  
96, 97 and 98  
of Guidelines  
for Articles  
of  
Association

Statistics on the attendance and the voting of domestic shareholders and foreign shareholders on the resolutions at the general meeting shall be compiled separately, and announced accordingly.

In the event that a proposal is not passed at a general meeting, or a resolution passed at a previous general meeting is modified at current general meeting, a special note shall be made in the announcement on the resolutions of the general meeting.

If the proposal on election of a Director is passed at the general meeting, the new Director shall assume office upon the approval of the relevant resolution at the general meeting.

Where a proposal on cash dividends, bonus shares or capital reserve capitalization has been approved at the general meeting, the Company shall implement the specific scheme within two months after conclusion of the general meeting.

**Article 81** The convener shall ensure that the general meeting is held continuously until a final resolution is formed. In the event that the general meeting is adjourned or unable to make a resolution due to force majeure and other special reasons, necessary measures shall be taken to resume the convening of the general meeting as soon as possible or terminate this general meeting directly, and public announcement should be made in a timely manner. At the same time, the convener should report to the local institution of the CSRC in the region where the Company is located and the stock exchange.

**Article 82** Every general meeting shall have its minutes which shall be kept by the secretary to the Board of Directors. The minutes shall state the following contents:

- (I) time, venue and agenda of the meeting and names of the convener;
- (II) the presider's name and the names of the directors, senior management attending or present at the meeting;
- (III) the numbers of shareholders and proxies attending the meeting, number of voting shares they hold and the percentages of their voting shares to the total shares of the Company, the number of voting shares held by domestic shareholders and foreign shareholders attending the general meeting, respectively, and the percentages of their voting shares to the total shares of the Company;
- (IV) the process of consideration, summary of speeches and voting results of each proposal, the details of voting by domestic shareholders and foreign shareholders on each resolution, respectively;

Article 79 of  
Guidelines  
for Articles  
of  
Association

Articles 77  
and 78 of  
Guidelines  
for Articles  
of  
Association

- (V) shareholders' questions, opinions or suggestions and corresponding answers or explanations;
- (VI) names of lawyers, vote counters and scrutinizers of the voting;
- (VII) other contents to be included in the minutes as specified in this Articles of Association.

The convener shall ensure that the particulars of the meeting minutes are true, accurate and complete. The directors, the secretary to the Board of Directors, the convener or representative thereof, and the presider of the meeting attending or present at the meeting shall sign on the minutes. The minutes of the meeting together with the attendance register of the attending shareholders and the proxy forms, as well as the valid information about online voting and voting via other methods shall be kept collectively, for a minimum period of ten years.

<b>Article 83</b>	Copies of the minutes of meeting shall be available for inspection by shareholders during the business hours of the Company.	Article 34 of Guidelines for Articles of Association
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## **Chapter 9 Special Procedures for Voting by a Class of Shareholders**

<b>Article 84</b>	Shareholders holding different classes of shares are referred to as class shareholders.	Articles 17 and 32 of Guidelines for Articles of Association
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Class shareholders shall enjoy rights and assume obligations in accordance with the laws, administrative regulations and the Articles of Association.

If the share capital of the Company includes the shares carrying no voting rights, the word “non-voting” must appear in the designation of such shares.

If the share capital includes the shares with different voting rights, the designation of each class of shares (other than those with the most favourable voting rights) must include the words “restricted voting” or “limited voting”.

<b>Article 85</b>	Rights conferred on any class shareholders may not be varied or abrogated unless approved by a special resolution at a general meeting and by the class shareholders so affected at a separate meeting convened in accordance with Articles 89 to 91.	Article 82 of Guidelines for Articles of Association Rule 15 of MB Listing Rules App A1
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<b>Article 86</b>	The following acts shall be deemed as a variation or abrogation of the rights of a particular class of shareholders:	Articles 17 and 82 of Guidelines for Articles of Association
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- (I) to increase or decrease the number of shares of that class or increase or decrease the number of shares of a class having voting rights, rights to receive distributions or other privileges equal or superior to those of shares of that class;
- (II) to exchange all or part of the shares of that class for shares of another class, or to exchange or grant a right to exchange all or part of the shares of another class for shares of that class;
- (III) to remove or reduce rights to any accrued or cumulative dividends attached to shares of that class;
- (IV) to reduce or remove the preference rights attached to shares of that class to have priority in receiving dividends or in distribution of assets in the event that the Company is liquidated;
- (V) to add, remove or reduce the conversion privileges, options, voting rights, transfer or preemptive rights, or rights to acquire the Company's securities attached to shares of that class;
- (VI) to remove or reduce the rights to receive payments payable by the Company in particular currencies attached to shares of that class;
- (VII) to create a new class of shares having voting rights or rights to receive distributions or other privileges equal or superior to those of the shares of that class;
- (VIII) to impose restrictions or additional restrictions on the transfer or ownership of the shares of that class;
- (IX) to issue rights to subscribe for, or convert into, shares of that class or another class;
- (X) to increase the rights or privileges of shares of another class;
- (XI) to restructure the Company in such a way so as to result in a disproportionate distribution of obligations among various classes of shareholders; and
- (XII) to vary or abrogate provisions of this chapter.

**Article 87** Shareholders of the affected class, whether having the right to vote at a general meeting, shall be entitled to vote in class meetings in respect of matters concerning subparagraphs (II) to (VIII),(XI) and (XII) of the preceding article. However, interested shareholders shall have no voting right at such class meetings.

The aforementioned term “interested shareholders” means:

- (I) in the event that the Company makes a repurchase offer to all shareholders in the same proportion or the Company repurchases its own shares by way of public dealings on a stock exchange pursuant to Article 30 hereof, a “controlling shareholder” within the meaning of Article 46 hereof;
- (II) in the event that the Company repurchases its own shares by an off-market agreement pursuant to Article 30 hereof, a holder of the shares to which the proposed agreement relates;
- (III) in the event of a restructuring of the Company, a shareholder within a class who assumes a relatively smaller proportion of obligations than the obligations imposed on shareholders of that class or who has an interest in the proposed restructuring different from the general interests of the shareholders of that class.

**Article 88** A resolution in a class meeting shall be passed by votes representing two-thirds or more of the voting rights of shareholders of that class present at the relevant meeting who are entitled to vote at the class meetings according to the preceding article.

Article 82 of  
Guidelines  
for Articles  
of  
Association

**Article 89** A notice convening a class meeting shall be given according to the requirements of convening a general meeting as set out in Article 55 of the Articles of Association, to notify shareholders whose names appear in the register of members for such class shares of the matters proposed to be considered and the date and place of the meeting.

Articles 17  
and 82 of  
Guidelines  
for Articles  
of  
Association

However, the quorum required at any class meetings (other than adjourned meetings) convened for the consideration of the variation of the rights of any class shares must be at least one-third of the shareholders of the shares in issue of such class.

**Article 90** A notice of a class meeting shall be served exclusively to the shareholders entitled to vote thereat.

Articles 17  
and 82 of  
Guidelines  
for Articles  
of  
Association

The procedures of a class meeting shall resemble those of the general meeting to the fullest extent as possible. Provisions in the Articles of Association regarding the procedures for holding a general meeting shall be applicable to class meetings.

**Article 91** In addition to shareholders of other classes, holders of domestic shares and holders of overseas listed foreign shares shall be deemed as holders of different classes of shares.

Articles 17 and 82 of Guidelines for Articles of Association

The special voting procedures for class meetings shall not apply in any of the following circumstances:

- (I) where the Company issues, upon approval by a special resolution of the general meeting, not more than 20% of each of its existing outstanding issued domestic shares and overseas listed foreign investor shares, either separately or concurrently once every 12 months;
- (II) where under the approval by the securities regulatory authorities of the PRC, domestic shares held by holders of domestic shares are transferred to H shares and are dealt with on the stock exchange of Hong Kong.

## Chapter 10 Board of Directors

### Section 1 Director

**Article 92** The Board of Directors is established in the Company and comprises of 8 directors, of which 1 Chairman, 3 independent non-executive Directors and 1 employee director are included.

Article 109 of Guidelines for Articles of Association  
Article 120 of Company Law

**Article 93** Directors shall be elected at the general meetings, and they can be dismissed from their positions by the general meetings before the term expires. Directors shall serve for a term of office of 3 years. Upon expiration of the term of office, a director is eligible for re-election and reappointment.

Articles 100 and 109 of Guidelines for Articles of Association  
Rule 4.(3) of MB Listing Rules App A1

Chairman shall be elected and removed by a simple majority of votes of all directors. The term of office of Chairman is 3 years, renewable upon re-election.

Conditional on the requirements of related laws and administrative regulations are complied, on a general meeting, shareholders can remove any directors (including the managing director or other executive directors) whose remaining term of office

is not expired by ordinary resolutions (without prejudice to any claims to be lodged in accordance with any contracts), and the removal shall take effect on the date the resolution is made.

Directors are not required to hold any of the Company's shares.

**Article 94** The directors' term of office is from the date when they take office to the expiration of the current Board of Directors' term of office. Where re-election is pending upon the expiration of the directors' term of office, the original director shall still perform his/her duties as directors in accordance with the requirements in laws, administrative regulations, departmental rules and this Articles of Association before the re-elected director takes office.

Managers or other senior management can serve as directors concurrently, but the total number of directors, who also serve as managers or other senior management and those who are staff representatives, shall not exceed half of the total number of directors in the Company.

The staff representatives in the Board of Directors shall be democratically elected by the employees of the Company through the staff representative meeting, the staff meeting or other means, and are not required to be submitted to the general meeting for consideration.

**Article 95** Procedures for nominating candidates for directors by shareholders who have nomination rights:

If a shareholder with nomination rights ("Such Shareholder") nominates a candidate for director ("Director Candidate") other than independent directors at a general meeting of the Company according to the laws, such shareholder shall seek the consent of the Director Candidate and shall have sufficient knowledge of the profession, academic qualifications, titles and detailed information on work experience including all part-time employments, whether there is any connected relationship with the Company or its controlling shareholders and de facto controllers, disclosure on the number of the Company's shares held, as well as whether there is any punishment imposed by the CSRC and other related departments and any penalty or warning from the stock exchange ("Such Information") of the Director Candidate. The Director Candidate shall provide written confirmation to the Company agreeing to be nominated, and shall provide

Article 100  
of  
Guidelines  
for Articles  
of  
Association

Article 86 of  
Guidelines  
for Articles  
of  
Association

Rule 13.70 of  
MB Listing  
Rules, Rule  
4.(2) of MB  
Listing Rules  
App A1

an undertaking in relation to the truthfulness and completeness of his/her particulars disclosed and shall guarantee the performance of a director's duties after being elected ("Relevant Agreement and Undertaking").

In addition, Such Shareholder shall deliver, or cause the Director Candidate to deliver, the following document to the Company not less than 15 days before the general meeting of the Company, and such period shall commence after the issue of the notice of the general meeting by the Company in respect of such election:

- (I) the intention of nominating the Director Candidate;
- (II) a written notice issued by the Director Candidate in respect of Relevant Agreement and Undertaking; and
- (III) the written proofs containing Such Information of the Director Candidate.

Any person appointed as directors by the Board to fill the temporary vacancy of the Board or to increase the number of member in the Board may hold the position until the first annual general meeting of the Company after such person is appointed, and may be eligible for re-election and reappointment at that time.

The name list of candidates for directors shall be submitted as proposals for voting at the general meeting.

General meetings shall adopt cumulative voting in accordance with the requirements of this Articles of Association when voting on the election of directors.

Cumulative voting as referred in the above paragraph means each share has the voting right representing the same number of directors for election and voting rights of shareholders can be centralised in use during the election of directors in general meetings.

**Article 96** A director may request to resign before his/her term of office expires. The resigning director shall tender a resignation letter to the Board in writing. The Board will disclose such circumstances within 2 trading days.

Article 104  
of Guidelines  
for Articles  
of  
Association

If a director resigns within his/her term of office, or if an election is not conducted in time upon expiry of the term of a director, which makes the number of the members of the Board fall short of the quorum, the original director shall assume the responsibilities in accordance with the requirements of the laws and regulations and the Articles of Association before the new director is elected and holds office.

In case that the number of directors falls short of the quorum for the Board as a result of the resignation of the director, the resignation letter of such director shall not become effective until the vacancy resulting from his/her resignation is filled up by succeeding director. The remaining directors shall convene an extraordinary general meeting as early as possible to elect director and fill up the vacancy resulting from such resignation.

Save for the circumstances referred to in the preceding paragraph, a director's resignation shall become effective upon his/her resignation letter being served to the Board.

**Article 97** The Company has a system in place to manage the departure of directors, which specifies safeguard measures for pursuing and recovering liability for unfulfilled public commitments and other outstanding matters. A director shall complete all formalities for handing over to the Board of Directors when his/her resignation takes effect or when his/her term of office expires, and his/her fiduciary duty towards the Company and its shareholders shall not ipso facto be discharged upon expiration of his/her term of office and will be still in effective for a reasonable period specified by these Articles of Association. The liability that a director bears during his/her term of office due to the performance of his/her duties shall not be waived or terminated upon leaving office.

Article 105  
of Guidelines  
for Articles  
of  
Association

Upon submission of a resignation of a director or at expiry of his/her term of office, he/she shall complete all handover procedures with the Board. His/her obligations of confidentiality in respect of commercial secrets of the Company shall survive the termination of his/her term of office until the same has become public available information.

**Article 98** Save as specified herein or duly authorised by the Board, no director shall act on behalf of the Company or the Board in his own name. A director shall, when acting in his own name, make a statement of his personal standpoint and capacity prior to such acts whenever a third party may reasonably believe that the said director is acting on behalf of the Company or the Board.

Article 107  
of Guidelines  
for Articles  
of  
Association

**Article 99** Where a director causes damages to others in the performance of his/her duties for the Company, the Company will be liable for compensation. The director shall also be liable for compensation if he/she is found to have conducted intentional misconduct or gross negligence.

Article 108  
of Guidelines  
for Articles  
of  
Association

A director who violates any laws, administrative regulations, department rules or the Articles of Association in performing his duties shall be liable for indemnification to any loss so caused to the Company.

**Article 100** Any director who has left his office without authorization before his term of office expires, thereby causing the Company to incur a loss, shall be held liable and keep the Company indemnified against such loss.

Article 103  
of Guidelines  
for Articles  
of  
Association

A director failing to attend the meetings of the Board either in person or by proxy for two times in succession shall be deemed as incapable of performing the duties, and shall be subject to replacement as recommended by the Board to the general meeting.

## Section 2 Independent Non-executive Directors

**Article 101** The Company shall establish a system for independent non-executive directors. Independent non-executive directors of the Company refer to a director who holds no position other than as a director in the Company, has no direct or indirect interest in the Company and any of its substantial shareholders and de facto controller, or any other relationship which might hamper his/her independent and objective judgment.

Articles 2, 5  
and 13 of  
Measures for  
the  
Administration of  
Independent  
Directors  
Rule B.2.3 of  
MB Listing  
Rules App  
C1  
Rule  
19A.18(1) of  
MB Listing  
Rules

The members of the Board of the listed company shall comprise of at least one third of independent directors, and at least one professional in accounting (a person with senior title or register qualification of accountant) and at least one of its independent non-executive directors must be ordinarily resident in Hong Kong among them.

The term of office of independent non-executive directors is 3 years, renewable upon re-election at its expiry, provided that the renewed term shall not exceed 6 years.

**Article 102** An independent non-executive director shall meet the following basic conditions:

- (I) qualifies as a director of a listed company pursuant to the relevant laws, administrative regulations, the listing rules of the stock exchange on which the Company's shares are listed and other relevant regulations;
- (II) being independent as specified in the listing rules of the stock exchange on which the Company's shares are listed;
- (III) having basic knowledge on operation of listed companies and proficiency in the relevant laws, administrative regulations and rules;
- (IV) having at least 5 years' experience in legal, accounting, economics or in other areas required for performing the duties as independent non-executive director;
- (V) having good personal integrity with no adverse records such as major breach of trust;
- (VI) other conditions specified by laws, administrative regulations, CSRC regulations, business rules of the stock exchange in the place where the shares of the Company are listed and this Articles of Association.

Independent directors shall maintain their independence and the following persons shall not act as an independent director:

- (I) persons working for the Company or its affiliates and their spouses, parents, children, and major social relations;
- (II) any natural person shareholder who directly or indirectly holds more than one percent of the issued shares of the Company or is among the top ten shareholders of the Company and their spouses, parents and children;
- (III) any person who works for a shareholder who directly or indirectly holds more than five percent of the issued shares of the Company or who works for the top five shareholders of the Company and their spouses, parents and children;
- (IV) any person who works for affiliates of the Company's controlling shareholders and de facto controller and their spouses, parents and children;

- (V) any person who has significant business dealings with the Company and its controlling shareholder, de facto controller or their respective affiliates, or holds a position in an entity with which significant business dealings are conducted and its controlling shareholder or de facto controller;
- (VI) any person who provides financial, legal, advisory and sponsorship services to the Company and its controlling shareholder, de facto controller or their respective affiliates, including but not limited to all members of the project team of the intermediary providing the services, reviewers at all levels, persons signing the reports, partners, directors, senior management and primary responsible persons;
- (VII) any person who falls into subparagraphs (I) to (VI) in the latest twelve months;
- (VIII) other person who is not independent as stipulated by laws, administrative regulations, CSRC regulations, business rules of the stock exchanges and this Articles of Association.

The “affiliates” of the Company’s controlling shareholders and de facto controller as described in the preceding subparagraphs (IV) to (VI) shall not include the enterprises that are under common control of a state-owned asset management institution and do not constitute related relationship with the Company in accordance with relevant requirements.

Independent directors shall conduct an annual self-review of their independence and report the review results to the Board of Directors. The Board of Directors shall assess and give special opinions on the independence of the incumbent independent directors on an annual basis, and disclose the same in the annual report.

**Article 103** The independent non-executive directors shall perform the following duties:

- (I) to participate in the decision-making of the Board of Directors and express clear opinions on matters discussed;

Article 17 of  
Measures for  
the  
Administration of  
Independent  
Directors  
Article 129  
of Guidelines  
for Articles  
of  
Association

- (II) to oversee the matters of potential material conflicts of interest between the Company and its controlling shareholders, de facto controllers, directors and senior management, so as to urge the Board of Directors to make decisions in line with the interests of the Company as a whole and protect the legitimate interests of minority shareholders;
- (III) to provide professional and objective advice on the operation and development of the Company and to promote the decision-making level of the Board of Directors;
- (IV) other duties as stipulated by laws, administrative regulations, listing rules of the stock exchanges on which the Company's shares are listed and the Articles of Association.

**Article 104**

In addition to the functions and powers provided by the Company Law, the other relevant laws and regulations and the listing rules of the stock exchange on which the Company's shares are listed, and the Articles of Association, independent nonexecutive directors shall have the following special functions and powers:

- (I) to propose to the Board the convening of extraordinary general meeting;
- (II) to propose the convening of board meetings;
- (III) to independently appoint an intermediary institution for auditing, consultancy or verification of specific matters at the expenses of the Company;
- (IV) to conduct public solicitation of shareholders' rights from shareholders in accordance with the law;
- (V) to express independent opinions on matters that may jeopardize the rights and interests of the listed company or minority shareholders;
- (VI) other functions and powers as stipulated by laws, administrative regulations, listing rules of the stock exchanges on which the Company's shares are listed and the Articles of Association.

Independent non-executive directors shall obtain the consent of more than half of all the independent non-executive directors in exercising any of the functions and powers in the above subparagraphs (I) to (III).

Article 18 of  
Measures for  
the  
Administration  
of  
Independent  
Directors  
Article 130  
of Guidelines  
for Articles  
of  
Association

The listed company shall disclose in a timely manner any exercise of the functions and powers listed in (I) by independent non-executive directors. If any of the above functions and powers could not be exercised properly, the Company shall disclose the specific circumstances and reasons thereof.

**Article 105** The following matters shall be submitted to the Board of Directors for consideration after being approved by a majority of all independent directors of the Company:

- (I) related transactions that shall be disclosed;
- (II) plans for the Company and related parties to change or waive commitments;
- (III) decisions made and measures taken by the board of directors of the acquired listed company in response to the acquisition;
- (IV) other matters as stipulated by laws, administrative regulations, CSRC regulations and the Articles of Association.

**Article 106** The Company shall establish a mechanism for special meeting attended solely by independent directors. Matters such as related party transactions to be considered by the Board of Directors shall be approved in advance by a special meeting of the independent directors.

The Company shall convene special meetings of the independent directors on a regular or ad hoc basis. Matters specified in the subparagraphs (I) to (III) under the first paragraph of Article 104 and Article 105 of the Articles of Association shall be considered by a special meeting of the independent directors.

The special meetings of the independent directors may study and discuss other matters of the Company as needed.

The special meetings of the independent directors shall be convened and presided over by an independent director jointly elected by a majority of the independent directors; where the convener fails or is unable to perform his/her duties, two or more independent directors may convene on their own and elect a representative to preside over the meeting.

Article 23 of  
Measures for  
the  
Administration  
of  
Independent  
Directors  
Article 131  
of Guidelines  
for Articles  
of  
Association

Article 24 of  
Measures for  
the  
Administration  
of  
Independent  
Directors  
Article 132  
of Guidelines  
for Articles  
of  
Association

Minutes of meetings of the special meetings of the independent directors shall be prepared in accordance with the regulations, and the opinions of the independent directors shall be set out in the minutes. The independent directors shall sign and confirm the minutes.

The Company shall facilitate and support the convening of the special meetings of the independent directors.

**Article 107** Before the expiration of the term of office of an independent non-executive director, the Company may terminate his/her office in accordance with legal procedures. In case of early dismissal, the Company shall promptly disclose the specific reasons and basis. If the independent non-executive director has objections, the Company shall disclose them in a timely manner.

Articles 14 and 20 of Measures for the Administration of Independent Directors Rule 3.11 of MB Listing Rules

If an independent non-executive director fails to comply with the provisions of Article 7 (1) or (2) of the Measures for the Administration of Independent Directors, he/she shall immediately cease to perform his/her duties and resign from his/her position. If the resignation is not tendered, the Board shall, as soon as it knows or ought to have known of the occurrence of such fact, remove him/her from office in accordance with the regulations.

In the event that an independent non-executive director resigns or is relieved of his/her duties as a result of circumstances touching upon the provisions of the preceding paragraph, resulting in the proportion of independent non-executive director on the Board or its special committees not complying with the provisions of the Measures for the Administration of Independent Directors or this Articles of Association, or if there is a lack of professional accountants among the independent directors, the Company shall complete the by-election of such independent directors within sixty days from the date of the occurrence of the aforesaid fact.

The Company shall immediately inform SEHK and publish an announcement containing the relevant details and reasons if, the number of its independent non-executive directors falls below three, fails to meet the requirement of having at least one accounting professional, or does not comply with the proportion of the Board as stipulated in this Articles and Associations.

In case that an independent non-executive director fails to attend the board meetings in person for 2 times in succession, nor does he/she appoint other independent non-executive directors to attend on his/her behalf, the Board shall propose to convene a general meeting within thirty days from the date of occurrence of such fact to remove such independent director from his/her office.

**Article 108** For issues not covered by the independent non-executive director system in this section, the relevant laws, administrative regulations, department rules and the listing rules of the stock exchange on which the Company's shares are listed shall apply.

### Section 3 Board of Directors

**Article 109** A board of directors shall be accountable to the general meeting:

- (I) to convene the general meetings and report its work to general meetings;
- (II) to implement the resolutions passed at the general meetings;
- (III) to decide on the operational plan and investment scheme of the Company;
- (IV) to formulate profit distribution plan and loss recovery plan of the Company;
- (V) to formulate proposals for increase or reduction of the Company's registered capital and for the issuance of debentures or other securities of the Company and listing;
- (VI) to formulate plans for material acquisition, share repurchase, merger, division, dissolution or change in corporate form;
- (VII) to determine the establishment of the Company's internal management structure;
- (VIII) to elect chairman and vice chairman of the Company and appoint, employ or dismiss general manager of the Company, and determine their remunerations, rewards and penalties;
- (IX) to employ or dismiss secretary to the Board of the Company according to the nomination of chairman and determine their remunerations, rewards and penalties;

Articles 110  
and 111 of  
Guidelines  
for Articles  
of  
Association

- (X) to employ or dismiss deputy general manager and chief financial officer and determine their remuneration according to the nomination of general manager;
- (XI) to establish the Company's basic management system;
- (XII) to formulate proposals for amendments to the Articles of Association;
- (XIII) to manage the information disclosure issues of the Company;
- (XIV) to propose to general meetings for the engagement or change of accounting firms for the Company's auditing;
- (XV) to receive the regular or irregular working reports of the Company's general manager or entrusted senior management, and approve general manager's working report;
- (XVI) to decide the issues such as external investments, purchase and sale of assets, offering assets as guarantees, appointment to manage finance, connected transactions and external donations within the scope authorised by the shareholders' meeting;
- (XVII) other powers as stipulated in the laws and regulations and the listing rules of the stock exchange on which the Company's shares are listed, and being granted in general meeting, and the Articles of Association.

The Board shall perform its duties in accordance with the laws and administrative regulations of the PRC, the Articles of Association and shareholders' resolutions.

The board of directors of the Company should explain at the general meeting in relation to qualified opinion on the audited financial statement as issued by the certified public accountant.

**Article 110** The Board shall formulate the Rules of Procedures of the Board of Directors to ensure implementation of the resolutions of the general meetings, enhance work efficiency and ensure proper decision-making. The Rules of Procedures of the Board defining the convening and voting procedure of board meetings and as annexes to the Articles of Association, shall be formulated by the Board, subject to approval by the general meeting.

Article 112  
of Guidelines  
for Articles  
of  
Association

**Article 111** The Board may resolve an investment in other enterprise or the provision of a guarantee to other party, unless otherwise specified by the laws, regulations and the listing rules of the stock exchange on which the Company's shares are listed. However, the provision of guarantee to a shareholder or de facto controller of the Company is subject to a resolution passed at the general meeting.

Articles 47 and 113 of Guidelines for Articles of Association

The Company shall establish a strict internal control system on provision of external guarantee. All directors shall attach prudence to and excise strict control on the debt risks resulting from the provision of external guarantees.

For provision of external guarantees, the Company shall take risk control measures such as the provision of back-to-back security by relevant counterparty, and the provider of back-to-back security shall be a party who can financially support such undertakings.

The responsible director or directors shall assume joint and several liabilities for any loss incurred to the Company arising from any provision of external guarantee in violation of the relevant laws, regulations, rules and the Articles of Association.

**Article 112** The Chairman of the Board shall perform the following duties and powers:

Article 114 of Guidelines for Articles of Association

- (I) to preside over general meetings and to convene and preside over board meetings;
- (II) to supervise and check the implementation of resolutions of board meetings;
- (III) to exercise other powers prescribed by the laws and regulations or the Articles of Association and conferred by the board of directors.

**Article 113** Meetings of the Board shall be held at least four times a year and convened by the Chairman of the Board. Notice of the meeting shall be served on all of the directors 14 days before the date of the meeting.

Articles 116 and 117 of Guidelines for Articles of Association

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

Rule C.5.1 of MB Listing Rules App C1

- (I) when proposed jointly by more than one-third of the directors;
- (II) when proposed by the audit committee;

- (III) when jointly proposed by more than half of the independent non-executive directors;
- (IV) when deemed as necessary by the Chairman of the Board;
- (V) when proposed by the shareholders representing more than one-tenth of voting rights.

**Article 114** Notices of board meetings and extraordinary board meetings shall be dispatched, either by telephone, facsimile or email, 14 days before the date of the regular meeting of the Board (an extraordinary board meeting is not subject to the notice period, however, notices shall be given within a reasonable time for Directors to attend the meetings).

Article 118  
of Guidelines  
for Articles  
of  
Association  
Rule C.5.3 of  
MB Listing  
Rules App  
C1

The time and place of a meeting of the Board may be prescribed in advance by the Board and recorded in the minutes. If such minutes have been dispatched to all directors at least 14 days prior to the convening of the next board meeting, no further notice is required to be served to the directors in respect thereof.

Directors who have attended the meeting will be deemed to have been issued a notice of board meeting if he had not raised any issues of not having received such notice before or during the board meeting.

A board meeting may be convened by means of telephone conference or other similar communication equipment through which directors participating in the meeting can communicate with each other simultaneously and instantaneously, and such participation shall constitute presence at a meeting as if those participating were present in person.

**Article 115** A notice of a meeting of the Board of Directors shall contain the following:

- (I) time and venue of the meeting;
- (II) duration of the meeting;
- (III) subjects and topics of the meeting;
- (IV) issue date of the notice.

Article 119  
of Guidelines  
for Articles  
of  
Association

**Article 116** A board meeting may not be held unless more than half of the directors are present.

Articles 120 and 122 of Guidelines for Articles of Association

Each director has a ballot for voting. A board resolution shall be subject to approval by more than half of all the directors.

In the case of equal affirmative and dissenting votes, the Chairman shall be entitled to a casting vote.

Unless otherwise specified by the laws, regulations and the listing rules of the stock exchange on which the Company's shares are listed, a resolution signed by the directors respectively with the number of the directors casting affirmative votes meets the effective quorum specified in the laws, regulations and this Articles of Associations shall be considered as valid as if a resolution which has been adopted by the board of directors at a meeting held according to the laws. Such written resolution may consist of a document of multiple copies with each copy signed by one or more directors. A resolution signed by a director or bearing his signature and served to the Company by mail, facsimile or by hand, for the purpose of this Articles of Association, shall be deemed as a document signed by him.

**Article 117** A director should attend board meetings in person. Where a director is unable to attend for certain reasons, he may appoint in writing another director to attend the board meeting on his behalf. The instrument of proxy shall specify the name of the proxy, relevant matters, scope of authorisation and the validity period, and shall be signed or sealed by the appointor.

Article 123 of Guidelines for Articles of Association

The director attending the meeting on behalf of the entrusting director shall only exercise the rights within the scope of authorisation. A director failing to attend a board meeting either in person or by proxy shall be deemed as having waived his right to vote at the meeting.

**Article 118** A director shall promptly report in writing to the Board where he or she is connected with the enterprise or an individual involved in the proposal submitted to the Board meeting for approval. The director that has a connected relationship in the proposed resolution shall not vote for himself or on behalf of any other director on the resolution proposed at the Board meeting. Such Board meeting shall be conducted by more than half of the directors that do not have a connected relationship in the proposed resolution. The aforesaid resolutions shall be passed by more than half of the directors that do not have a connected relationship in the

Article 121 of Guidelines for Articles of Association

proposed resolution. Where the number of directors that do not have a connected relationship in the proposed resolution present at the Board meeting is less than three, the matter shall be submitted to the general meeting for consideration.

**Article 119** The Board shall make minutes for matters to be resolved at the board meeting, which shall be signed by directors and secretary (recorder) to the Board present at the meeting. The minutes shall be kept for a period of 10 years. Directors shall be liable for the resolutions of the Board. Where a resolution of the Board violates the laws, administrative regulations or the Articles of Associations and results in serious losses to the Company, the directors who took part in such resolution shall be liable for indemnification to the Company, provided that the director who has expressly objected to the resolution put to the vote, and where such objection is evidenced and recorded in the minutes of the meeting, may be relieved of such liability.

Articles 124  
and 125 of  
Guidelines  
for Articles  
of  
Association

The minutes of the board meeting shall contain the following information:

- (I) the date, venue and name of the person to convene the meeting;
- (II) the names of the directors present at the meeting and names of the directors (proxies) present at the meeting on behalf of other director(s);
- (III) agenda of the meeting;
- (IV) highlights of directors' speeches;
- (V) voting system and results of each resolution (the voting results shall set out the number of affirmative, dissenting and abstaining votes);
- (VI) signatures of directors.

**Article 120** In principle, board meetings shall be held at the registered address of the Company. However, a board meeting may be held at any other places within or outside the PRC as approved by the convener.

#### **Section 4 Specialized Committees of the Board**

**Article 121** The Board of Directors of the Company shall establish an audit committee to exercise the functions and powers of the supervisory committee as required by the Company Law.

Articles 133  
and 134 of  
Guidelines  
for Articles  
of  
Association

The audit committee comprises three members, which shall be directors who are not senior management of the Company. Among which, more than half shall be independent directors, and the accounting professionals among such independent directors shall serve as the convener.

Employee representatives who are members of the Board of Directors may become members of the audit committee.

**Article 122** The audit committee is responsible for reviewing the financial information of the Company and its disclosure, supervising and evaluating internal and external audit work and internal control. The following matters shall be submitted to the Board of Directors for consideration after being approved by more than half of all members of the audit committee:

- (I) disclosure of financial information in financial accounting reports and periodic reports, as well as internal control evaluation reports;
- (II) hiring or dismissing the accounting firm engaged to carry out the audit of the listed company;
- (III) appointment or dismissal of the listed company's financial controller;
- (IV) changes in accounting policies, accounting estimates or corrections of material accounting errors for reasons other than changes in accounting standards;
- (V) Other matters stipulated by laws, administrative regulations, provisions of the CSRC, and the Articles of Association.

**Article 123** The audit committee shall hold at least one meeting each quarter. An extraordinary meeting may be held when it is proposed by two or more members, or when it is deemed necessary by the convener. Meeting of the audit committee shall be held only if more than two-thirds of the members are present.

The resolutions made by the audit committee shall be passed by more than half of the members of the audit committee.

Voting on the resolutions of audit committee shall be one person, one vote.

Article 135  
of Guidelines  
for Articles  
of  
Association

Article 136  
of Guidelines  
for Articles  
of  
Association

Minutes shall be prepared for the resolutions of the audit committee as required and shall be signed by the members of the audit committee present at the meetings.

The Board of Directors shall be responsible for formulating work procedures for the audit committee.

**Article 124** The Board of Directors of the Company has established the strategic committee, the nomination committee, the remuneration and assessment committee and other special committees to perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors, and the proposals of the special committees shall be submitted to the Board of Directors for review and decision. The Board of Directors is responsible for formulating work procedures for special committees.

Article 137  
of Guidelines  
for Articles  
of  
Association

More than half of the members of the nomination committee and the remuneration and assessment committee shall be independent directors and the same shall serve as conveners.

**Article 125** The nomination committee is responsible for formulating the criteria and procedures for selection of directors and senior management, selecting and reviewing the candidates for directors and senior management and their qualifications, and making recommendations to the Board of Directors on the following matters:

Article 138  
of Guidelines  
for Articles  
of  
Association

- (I) nomination or appointment and removal of directors;
- (II) appointment or dismissal of senior management;
- (III) Other matters stipulated by laws, administrative regulations, provisions of the CSRC, and the Articles of Association.

If the Board of Directors does not adopt or does not fully adopt the recommendations of the nomination committee, it shall record the opinion of the nomination committee and the specific reasons for its non-adoption in a resolution of the Board and disclose the same.

**Article 126** The remuneration and assessment committee is responsible for the formulation of standards for appraising and conducting evaluation of directors and senior management, and the formulation and review of the remuneration policies and plans for directors and senior management, and making recommendations to the Board of Directors on the following matters:

- (I) the remuneration of directors and senior management;
- (II) the formulation or amendment of equity incentive schemes and employee stock ownership plans, and the granting of rights to incentive recipients and the achievement of conditions for the exercise of such rights by incentive recipients;
- (III) the arrangement of stock ownership plans for directors and senior management in the event of a proposed spin-off of a subsidiary;
- (IV) other matters stipulated by laws, administrative regulations, provisions of the CSRC, and the Articles of Association.

If the Board of Directors does not adopt or does not fully adopt the recommendations of the remuneration and assessment committee, it shall record the opinion of the remuneration and assessment committee and the specific reasons for its non-adoption in a resolution of the Board of Directors and disclose the same.

## **Chapter 11 Secretary to the Board of the Company**

**Article 127** The Company shall have a secretary to the Board, who shall be a senior management and report to the Board.

**Article 128** The secretary to the Board shall be a natural person who has the necessary professional knowledge and experience and shall be appointed by the Board. The secretary to the Board shall be responsible for organising the general meetings and Board meetings of the Company, keeping documents and managing information regarding the shareholders of the Company, and dealing with information disclosure and other matters. The primary duties of the secretary to the Board are:

- (I) to ensure that the Company has maintained complete organisation documents and records;

Article 139  
of Guidelines  
for Articles  
of  
Association

Article 149  
of Guidelines  
for Articles  
of  
Association

Article 149  
of Guidelines  
for Articles  
of  
Association

- (II) to ensure that the reports and documents of the Company required by competent authorities are prepared and delivered according to law;
- (III) to ensure that the registers of shareholders of the Company are properly maintained, and to ensure that persons entitled to access the records and documents of the Company are furnished with such records and documents promptly.

The secretary to the Board shall comply with the laws, administrative regulations, department rules and relevant provisions of this Articles of Association.

**Article 129** Directors or senior management staff of the Company may serve concurrently as secretary to the Board of Directors. The accountants from the accounting agencies appointed by the Company may not serve concurrently as Secretary to the Board.

In the case where the office of the secretary to the Board of directors is concurrently held by a director, and a certain act is required to be done by the directors and the secretary to the board separately, the person who serves as both a director and the secretary to the Board of directors may not perform the act in a dual capacity.

### **Chapter 12 General Manager of the Company**

**Article 130** The Company has one general manager and a certain number of deputy general managers to assist the general manager in his work. The Company has one chief financial officer.

Articles 140 and 143 of Guidelines for Articles of Association

General manager, deputy general managers and chief financial officer shall be appointed or dismissed by the Board.

Each of the general manager and other senior management shall have a term of office of three years and shall be renewable upon re-election.

**Article 131** Any person who takes administrative position other than a director in the controlling shareholder of the Company shall not act as senior management of the Company.

Article 142 of Guidelines for Articles of Association

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

**Article 132** The Company's general manager shall be accountable to the Board of Directors and shall exercise the following functions and powers:

Article 144  
of Guidelines  
for Articles  
of Association

- (I) to lead the Company's production, operation and management, to organize the implementation of the Board's resolutions, and report to the board of directors;
- (II) to organize the implementation of the Company's annual business plan as well as investment plan;
- (III) to draft plans for the establishment of the Company's internal management structure;
- (IV) to draft the basic management system of the Company;
- (V) to formulate detailed rules and regulations of the Company;
- (VI) to propose the appointment or dismissal of the Company's deputy general manager(s) and chief financial officer to the Board;
- (VII) to decide the appointment or dismissal of management members other than those required to be appointed or dismissed by the Board;
- (VIII) to exercise other powers conferred by the Articles of Association or the Board.

**Article 133** The Company's general manager shall attend the board meetings. Manager shall have no voting right if he/she is not a director.

Article 144  
of Guidelines  
for Articles  
of Association

**Article 134** The Company's general manager shall report to the Board of Directors as requested by it in relation to the conclusion, implementation and capital utilisation status of major contracts of the Company. The general manager shall guarantee the authenticity of the report.

**Article 135** The Company's general manager shall formulate the working rules of the general manager, which shall be submitted to the Board for approval before implementation.

Article 145  
of Guidelines  
for Articles  
of Association

**Article 136** The Company's general manager shall, in performing duties and powers, act in good faith, with due diligence and in accordance with the laws, administrative regulations and the Articles of Association.

Article 141  
of  
Guidelines  
for Articles  
of  
Association

### **Chapter 13 Qualifications and Obligations of Directors, General Manager and Other Senior Management of the Company**

**Article 137** A person shall be disqualified from being a director, general manager or other senior management of the Company in any of the following circumstances:

Articles 99  
and 141 of  
Guidelines  
for Articles  
of  
Association

- (I) the person is of civil incompetence or limited civil competence;
- (II) a period of 5 years has not yet elapsed since the penalisation on conviction of corruption, bribery, expropriation of property, misappropriation of property or disrupting social and economic order, or being deprived of political rights due to the committing of offences, or, in the case of suspension of execution, a probationary period has not expired for more than 2 years;
- (III) a period of 3 years has not yet elapsed since the completion of the liquidation of any company or enterprise which was insolvent and where the person acted as a director, factory manager or manager of such company or enterprise and was personally liable for such insolvency;
- (IV) a period of 3 years has not yet elapsed since revocation of business license or enforced winding-up of a company or enterprise due to illegal business operations where the person was the legal representative of such company or enterprise and for which he was personally liable;
- (V) the person is personally liable for a substantial debt which is due for repayment but remains unpaid, and is therefore listed as dishonest person subject to execution by the People's Court;
- (VI) the person is currently being prohibited from participating in the securities market by the CSRC and such barring period has not elapsed;
- (VII) the person has been publicly declared by any stock exchange to be unsuitable for serving as the director and senior management of listed company for a period which has not yet expired;

(VIII) such other stipulations by the relevant laws and regulations and the listing rules in the jurisdiction where the shares of the Company are listed.

If the election or appointment of directors violates the provisions of this Article, such election, appointment or engagement shall be null and void. If a director falls under any of the circumstances described in this Article during his/her term of office, the Company shall remove him/her from his/her position and cease his/her performance of duties.

**Article 138** The validity of an act of a director, general manager and other senior management on behalf of the Company is not, vis-à-vis a bona fide third party, affected by any irregularity in his office, election or any defect in his suitability to his office.

**Article 139** Directors, general manager and other senior management of the Company shall abide by the requirements of laws, administrative regulations and the Articles of Association, and have fiduciary duties to the Company. They shall take measures to avoid conflicts between their own interests and the interests of the Company and shall not use their power to seek improper benefits.

Directors and senior management have the following fiduciary duties to the Company:

- (I) they shall not misappropriate the Company's property or misappropriate the Company's funds;
- (II) they shall not deposit the Company's funds in an account opened in their own name or in the name of another individual;
- (III) they shall not use their power to offer any bribe or accept other illegal income;
- (IV) they shall not directly or indirectly enter into contracts or transactions with the Company without reporting to the Board of Directors or general meeting or approval by the Board of Directors or general meeting by resolutions in accordance with the provisions of the Articles of Association;
- (V) they shall not use their position to seek business opportunities that should belong to the Company as personal gain for themselves or others, except where they have already reported to the Board of Directors or general

meetings and were approved by the general meetings by resolutions, or the Company is unable to take advantage of the business opportunity according to laws, administrative regulations or the Articles of Association;

- (VI) they shall not operate a business for themselves or others which is of the same type as the Company's business without reporting to the Board of Directors or general meeting or approval of the general meeting by resolutions;
- (VII) they shall not take the commission of transactions between other parties and the Company for personal use;
- (VIII) they shall not disclose the secrets regarding the Company without authorization;
- (IX) they shall not use its connected relationships to harm the interests of the Company;
- (X) other fiduciary obligations stipulated by laws, administrative regulations, departmental rules, and the Articles of Association.

Any income derived by a director or senior management in violation of this Article shall belong to the Company; and any loss caused to the Company shall be liable by the directors or senior management for compensation.

When the close relatives of the Directors and senior management, the enterprises directly or indirectly controlled by the Directors and senior management or their close relatives, and the connected persons who have other connected relationships with the Directors and senior management enter into contracts or conduct transactions with the Company, the provisions in (IV) of the second paragraph of this Article shall apply.

**Article 140** Directors, general manager and other senior management of the Company shall abide by laws, administrative regulations and the Articles of Association, have diligence obligations to the Company and exercise due care generally expected of managers in the best interests of the Company when performing their duties.

Article 102  
of Guidelines  
for Articles  
of  
Association

Directors and senior management shall have the following diligence obligations to the Company:

- (I) the rights conferred by the Company shall be exercised prudently, conscientiously and diligently to ensure that the Company's business conducts comply with the requirements of national laws, administrative regulations and various national economic policies, and that its business activities do not exceed the business scope as stipulated in its business license;
- (II) all shareholders shall be treated fairly;
- (III) keeping abreast of the business operation and management of the Company in a timely manner;
- (IV) they shall sign written opinions to confirm the Company's periodic reports and ensure the truthfulness, accuracy and completeness of the information disclosed by the Company;
- (V) providing relevant information and materials to the audit committee in a truthful manner so as not to impede the audit committee from performing their functions and powers;
- (VI) other duties of diligence stipulated by laws, administrative regulations, departmental rules, and the Articles of Association.

**Article 141** The fiduciary duties of directors, general manager and other senior management of the Company shall not necessarily cease with the termination of their tenures. The duty of confidentiality in relation to trade secrets of the Company shall survive upon termination of their tenures. Other duties may continue for such period, as fairness may require, depending on the time lapses between the termination and the act concerned and the circumstances and conditions under which the relationships with the Company are terminated.

**Article 142** The Company shall conclude written contracts with each director and senior management, and such contracts shall include at least the following provisions:

- (I) the director or senior management warrants to the Company that he will observe the Company Law, the Articles of Association and other provisions established by the SEHK, and agrees that the Company will enjoy the remedial actions set forth under the Articles of Association, and that such contract and its position shall not be transferred;
- (II) the director or senior management warrants to the Company that he will observe and perform his responsibilities owed to the shareholders specified in the Articles of Association.

## **Chapter 14 Financial and Accounting System and Profit Distribution**

**Article 143** The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the PRC accounting standards promulgated by the relevant financial authority of the State Council.

Article 152  
of Guidelines  
for Articles  
of  
Association

The Company implemented an internal audit system and hired professional auditors to supervise internal audit of the revenue and expenditure and business activities of the Company.

The internal audit system of the Company and the duties of auditors shall be executed upon the approval of the Board. The person in charge of audit is responsible for reporting its work to the Board.

**Article 144** The Company shall submit and disclose its annual reports to the CSRC and the stock exchange within four months from the end date of each fiscal year, and its interim reports to the CSRC and the stock exchange within two months from the end date of the first half of each fiscal year.

Article 153  
of Guidelines  
for Articles  
of  
Association

The aforesaid annual reports and interim reports are prepared in accordance with the relevant laws and administrative regulations, and the provisions of the CSRC and the stock exchange.

The fiscal year of the Company is Gregorian calendar year, i.e. from 1 January to 31 December every year.

**Article 145** The Company shall not establish account books other than the statutory account books. The assets of the Company shall not be deposited in any personal account.

Article 154  
of Guidelines  
for Articles  
of Association

**Article 146** In distributing the current year's profit after tax, the Company shall withdraw 10% of the profit as the statutory surplus reserve. Such withdrawal may be stopped when the statutory surplus reserve of the Company has accumulated to at least 50% of the registered capital of the Company.

Article 155  
of Guidelines  
for Articles  
of Association

If the statutory surplus reserve is insufficient to recover the losses in the previous years, the profit of the current year shall first be used to recover such losses before any withdrawal is made to the statutory surplus reserve in accordance with the preceding paragraph.

After the withdrawal is made to the statutory surplus reserve out of the profit after tax, the discretionary surplus reserve may also be withdrawn out of the same as resolved by the general meeting.

The profit after tax remaining after recovering losses and withdrawal of reserves shall be distributed to the shareholders in proportion to their shareholding unless otherwise specified in the Articles of Association.

If the general meeting distributes profits to the shareholders in violation of the Company Law, the shareholders shall return the profits distributed in violation of the provisions to the Company; if losses are caused to the Company, the shareholders and the responsible directors and senior management shall be liable for compensation.

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

**Article 147** The Company may take either or both of the following ways to distribute the dividend:

Articles 155  
and 157 of  
Guidelines  
for Articles  
of  
Association

(I) Cash;

(II) Shares.

Dividend and other payments by the Company to holders of the domestic shares shall be denominated and declared in RMB and paid in RMB within 3 months after the declaration of the dividend, whereas those to holders of the overseas listed

foreign shares shall be denominated and declared in RMB and paid in the local currency of the place where such overseas listed foreign shares are listed within 3 months after the declaration of the dividend. The dividend and other payments by the Company to holders of the overseas listed foreign shares shall be handled in accordance with relevant state regulations on foreign exchange control. In the absence of such regulations, the applicable conversion rate shall be the average closing rate of the relevant foreign currency as published by website of the People's Bank of China for the 7 business days immediately prior to the date of declaration of such dividend and other payments. The dividend distribution of the Company shall be approved by the general meeting by way of an ordinary resolution and implemented by the Board of Directors.

After the resolution of the profit distribution plan has been passed at the Company general meeting, the Board must complete the dividend (or shares) distribution within two months after the general meeting.

Decision-making procedures and mechanism of profit distribution are as the follows:

- (1) The annual profit distribution proposal of the Company shall be proposed and prepared by the Board of Directors in accordance with the requirements of this Articles of Association and in view of the profitability and capital supply and needs. Independent Directors shall issue their independent opinions on the profit distribution proposal, which is subject to the consideration and approval by the Board before submission to the general meeting for consideration and approval by the Shareholders.
- (2) In considering the profit distribution proposal at the general meeting, the Shareholders shall be provided with the method of online voting. A number of channels shall be adopted to actively communicate and exchange information with the Shareholders, especially minority Shareholders, take into full account the opinions and requests of them and answer their questions in a timely manner.

The policy of profit distribution is as follows:

- (1) Conditions of cash dividend distribution

Except under special circumstances, in the event that there is profit and the accumulated undistributed profits are positive in the current year, the Company should give priority to distribute dividends in cash and paying cash dividends will not affect its ongoing and sustainable operations. At the same time, the auditing firm has furnished standard and unqualified opinion in the audit report of the Company's financial report in that current year. Special circumstances refer to:

1. Cash dividend will affect the capital needs of the Company for normal and continued operations in the future;
2. The Company will engage in significant investment plans or cash expenditure events within the next 12 months (except fund-raising projects). Significant investment plans or significant cash expenditure events refer to one of the following situations: ① The accumulated expenditure for the external investments, acquire assets or purchase equipment of the Company within the next 12 months will be up to or over 50% of the audited net assets of the Company in the latest period and the amount will exceed \$50,000,000; ② The accumulated expenditure of the external investment, asset purchase or equipment purchase of the Company within the next 12 months will reach or exceed 30% of the audited total assets of the Company in the latest period;
3. Other circumstances that the Board considers unsuitable for cash dividends.

(2) Form of distribution

The Company may distribute dividends by means of cash, securities, a combination of cash and securities and other legal means, and give priority to adopt cash dividends as the form of profit distribution. However, profit distribution shall not exceed the range of the accumulated distributable profits.

(3) Differentiated cash dividend distribution policy

The Board of the Company shall comprehensively consider the factors including characteristics of the industry, the stage of development, its own business mode, the level of profitability, and whether there are major capital

expenditure arrangements (except fund-raising projects); to distinguish the following situations and shall come up with a differentiated cash dividend policy in accordance with the procedures stipulated in this Articles of Association:

1. When the development of the Company is at a mature stage and there is no major capital expenditure arrangement, the cash dividend shall account for no less than 80% of the profit distribution when conducting profit distribution;
2. When the development of the Company is at a mature stage and there are major capital expenditure arrangements, the cash dividend shall account for no less than 40% of the profit distribution when conducting profit distribution;
3. When the development of the Company is at a growing stage and there are major capital expenditure arrangements, the cash dividend shall account for no less than 20% of the profit distribution when conducting profit distribution.

The specific profit distribution plan is determined by the Board of the Company in accordance with the relevant provisions promulgated by the CSRC; combined with specific operating data; fully considering the profit scale of the Company; the cash flow status; the development stage and the capital requirement of the current period, and to be combined with the opinions expressed by the shareholders (especially the public investors) and by the independent directors. The implementation of the plan must be approved by more than half of the voting rights held by the shareholders (including the proxies of shareholders) attending the general meeting of shareholders.

**Article 148** The Company shall appoint a receiving agent for holders of overseas listed foreign shares, which shall be a trust company registered under the Trustee Ordinance of the laws of Hong Kong. The receiving agent shall receive on behalf of such shareholders any dividends or other amounts payable by the Company to them in respect of the overseas listed foreign shares.

The receiving agent appointed by the Company shall satisfy the requirements under the laws of the jurisdiction where the Company's shares are listed or the rules of such stock exchange(s).

Subject to the relevant laws and regulations of the PRC as well as the provisions of the SEHK, the Company may exercise its right of forfeiture over unclaimed dividends, provided that such right cannot be exercised prior to the expiration of the applicable statute of limitations.

The Company has the right to terminate the dispatch of dividend warrants to holders of overseas listed foreign shares by mail, provided that such right shall not be exercised until the dividend warrants have not been cashed for two consecutive occasions. However, where the dividend warrant is undelivered to the addressee and returned, the Company may also exercise such right.

In case of exercising general mandate to issue warrants to holders, no new warrants shall be issued to replace the lost ones unless the Company confirms the physical loss of the original warrants.

The Company has the right to sell, in such manner as the Board thinks fit, any shares of an overseas listed foreign shareholder who is untraceable, subject to and conditional upon:

- (1) the Company having distributed dividends for at least 3 times to such shares within 12 years, but none of such dividends was claimed; and
- (2) The Company, after the expiration of 12 years, made the public announcement on the newspaper(s) at the jurisdiction where the Company is listed, stating its intention to sell such shares, and notified the stock exchange on which such shares were listed.

## **Chapter 15 Internal Audit and Appointment of Accounting Firm**

**Article 149** The Company shall implement an internal audit system, which clearly stipulates the leadership structure, duties and authorization, personnel allocation, finance support, audit results application, accountability and other matters in relation to internal audit.

Article 159  
of Guidelines  
for Articles  
of  
Association

The internal audit system of the Company shall be implemented upon approval by the Board of Directors, and disclosed publicly.

**Article 150** The Company's internal auditor shall monitor and examine the Company's business activities, risk management, internal control, financial information and other matters.

Article 160  
of Guidelines  
for Articles  
of  
Association

The internal auditor shall maintain independence, appoint full-time auditors, and shall not be placed under the leadership of the finance department or co-located with the finance department.

**Article 151** The internal auditor is accountable to the Board of Directors.

Article 161  
of Guidelines  
for Articles  
of  
Association

When monitoring and examining the Company's business activities, risk management, internal control, and financial information, the internal auditor shall be subject to the oversight and guidance of the audit committee. If the internal auditor discovers any significant issues or leads, it shall immediately report directly to the audit committee.

**Article 152** The internal auditor is responsible for the specific organization and implementation of the Company's internal control evaluation. Based on the evaluation report issued by the internal auditor and reviewed by the audit committee, as well as relevant materials, the Company shall issue its annual internal control evaluation report.

Article 162  
of Guidelines  
for Articles  
of  
Association

**Article 153** When the audit committee communicates with external audit entities such as accounting firms and national audit agencies, the internal auditor shall actively cooperate and provide necessary support and collaboration.

Article 163  
of Guidelines  
for Articles  
of  
Association

**Article 154** The audit committee participates in the appraisal of the head of internal audit.

Article 164 of  
Guidelines for  
Articles of  
Association  
Articles 165  
and 166 of  
Guidelines for  
Articles of  
Association

**Article 155** The Company shall appoint such accounting firm which has complied with the Securities Law to carry out the audit for the accounting statements, net asset verification, and other relevant consultancy services. The term of appointment shall be one year and can be renewable.

Rule 17 of  
MB Listing  
Rules App A1

The appointment, dismissal and remuneration of an accounting firm by the Company shall be subject to the approval of the general meeting. The Board of Directors shall not appoint the accounting firm before the approval of the general meeting.

**Article 156** The Company guarantees that the accounting documents, account books, financial and accounting reports and other accounting materials provided to the hired accounting firm are true and complete. The Company shall not refuse to provide or conceal information and shall not provide false information.

Article 167 of  
Guidelines for  
Articles of  
Association

**Article 157** The audit fees of an accounting firm shall be determined by the general meeting or another body that is independent of the Board of Directors.

Article 168 of  
Guidelines for  
Articles of  
Association  
Rule 17 of MB  
Listing Rules  
App A1

**Article 158** Prior to the removal or the non-renewal of the appointment of the accounting firm, notice of such removal or non-renewal shall be given 10 days in advance to the accounting firm. When the Company's general meeting votes on the dismissal of the accounting firm, the accounting firm is allowed to state its opinions. Where the accounting firm resigns from its post, it shall make clear to the general meeting whether there has been any impropriety on the part of the Company.

Article 169  
of Guidelines  
for Articles  
of  
Association

## Chapter 16 Insurance

**Article 159** Insurance of the Company shall be arranged in accordance with the relevant insurance laws of the PRC.

## Chapter 17 Labour Unions

**Article 160** Employees of the Company are entitled to establish labour unions and carry out union activities in accordance with the laws to protect their legal entitlements. The Company shall provide necessary conditions for activities of such labour unions.

## Chapter 18 Merger and Division

**Article 161** The merger of the Company may take the form of either merger by absorption or merger by establishment of a new company.

Articles 177,  
178, 179 and  
180 of  
Guidelines  
for Articles  
of  
Association

If the price paid for the merger of the Company does not exceed 10% of the net assets of the Company, it may not be subject to a resolution of the general meeting, unless otherwise provided in the Articles of Association.

Where the merger of the Company pursuant to the preceding paragraph is not subject to a resolution of the general meeting, it shall be subject to a resolution of the Board of Directors.

In the event of a merger of the Company, the parties to the merger shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days and publish announcements in newspaper or the National Enterprise Credit Information Publicity System within 30 days after the date of the Company's merger resolution. The creditors may require the Company to repay debts or provide guarantees in respect thereof within 30 days after receipt of the notice or within 45 days after the announcement if such notice is not received.

After the merger of the Company, creditor's rights and debts of the parties to the merger shall be assumed by the surviving company or the newly established company after the merger.

**Article 162** In the event of a division of the Company, its assets shall be divided accordingly.

In the event of a division, the parties to the division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days and publish announcements on the newspaper or the National Enterprise Credit Information Publicity System recognized by the stock exchange on which the Company's shares are listed within 30 days after the date of the Company's division resolution.

Articles 181 and 182 of Guidelines for Articles of Association

The post-division companies shall be jointly and severally liable for the pre-division debts of the Company, unless provided otherwise in a written agreement on debt repayment reached between the Company and a creditor prior to the division.

**Article 163** The Company shall, as a result of a merger or division, apply for a change in business registration, if any, with the company registration authorities. The Company shall also apply for cancellation of its registration in the case of a dissolution, and apply for a new registration in the case of a new establishment, in accordance with the laws.

Article 187 of Guidelines for Articles of Association

## Chapter 19 Dissolution and Liquidation

**Article 164** The Company shall be dissolved and liquidated in accordance with the laws in any of the following circumstances:

Article 188 of Guidelines for Articles of Association

- (I) the operating period expires;
- (II) the general meeting makes a resolution on dissolution;
- (III) the Company has to be dissolved on account of its merger or division;
- (IV) the Company has its business license revoked, is ordered to close down or be dissolved in accordance with the laws;

Rule 21 of MB Listing Rules App A1

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

A voluntary winding-up of the Company shall be approved by a special resolution of the general meeting. Upon the occurrence of any dissolution cause specified in the preceding paragraph, the Company shall, within ten days, publish the cause of dissolution through the National Enterprise Credit Information Publicity System.

**Article 165** Where the Company falls under the circumstances set out in subparagraphs (I) or (II) of the preceding Article but has not yet distributed its assets to shareholders, it may continue to exist by amending this Articles of Association or by a resolution of the general meeting.

Amendments to this Articles of Association or resolutions of the general meeting made pursuant to the preceding paragraph shall be passed by not less than two-thirds of the voting rights held by the shareholders present at the general meeting.

Where the Company is dissolved pursuant to subparagraphs (I), (II), (IV) and (V) of the preceding article, it shall be liquidated. Directors shall be the persons responsible for liquidation of the Company and shall within 15 days thereof establish a liquidation committee to commence liquidation as of the dissolution circumstance arises. The liquidation committee shall be composed of Directors, except where this Articles of Association provides otherwise or the general meeting resolves to elect other persons.

If the liquidation obligors fail to fulfill their liquidation obligations in a timely manner and cause losses to the Company or creditors, they shall be liable for compensation.

**Article 166** The liquidation committee shall, within 10 days of its establishment, notify the creditors of the same, and, within 60 days of its establishment, publish announcements in newspapers or the National Enterprise Credit Information Publicity System. Creditors shall declare their claims to the liquidation committee within 30 days after receipt of the written notice or, if they did not receive a written notice, within 45 days after the date of the announcement.

Article 192  
of Guidelines  
for Articles  
of  
Association

When a creditor declares a creditor's right, he/she shall explain the relevant matters of the creditor's right and provide supporting materials. The liquidation committee shall register creditor's rights. During the claim declaration period, the liquidation committee may not pay any debts to creditor.

**Article 167** During liquidation, the liquidation committee shall exercise the following functions and powers:

Article 191  
of Guidelines  
for Articles  
of  
Association

- (I) to organise the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (II) to notify the creditors or to publish announcements;
- (III) to dispose of any continuing businesses of the Company in connection with the liquidation;
- (IV) to pay outstanding taxes and the taxes arising during liquidation;
- (V) to settle claims and debts;
- (VI) to deal with the remaining assets of the Company subsequent to the settlement of debts;
- (VII) to represent the Company in any civil proceedings.

**Article 168** Following the organisation of the Company's assets and the preparation of a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation proposal and present it to the general meeting or to the relevant governing authorities for confirmation.

Article 193  
of Guidelines  
for Articles  
of  
Association

After the general meeting resolves to dissolve the Company or the Company is lawfully declared bankrupt or ordered to close down, no disposal of the Company's assets is allowed without the permission of the liquidation committee.

The assets of the Company shall be liquidated in the following order of priority: liquidation costs; salaries and social insurance premiums owed to the employees of the Company and statutory compensation; outstanding taxes; and debts of the Company.

Any remaining assets of the Company subsequent to the settlement in accordance with the foregoing provisions shall be distributed to its shareholders on the basis of the class of shares and in the proportion of shares being held.

During the period of liquidation, the Company shall continue to exist but shall not carry out any business activities which are irrelevant with the liquidation.

**Article 169** The liquidation committee shall apply to the People's Court for bankruptcy and liquidation in accordance with the law if it becomes aware, having liquidated the Company's assets and prepared a balance sheet and an inventory of assets, that the Company's assets are insufficient to repay its debts in full.

Articles 194 and 197 of Guidelines for Articles of Association

Upon the People's Court accepts the application for bankruptcy, the liquidation committee shall transfer to the bankruptcy administrator designated by the People's Court all matters arising out of the liquidation.

Where the Company is declared bankrupt according to law, bankruptcy liquidation shall be conducted in accordance with the law on enterprise bankruptcy.

**Article 170** Following the completion of liquidation of the Company, the liquidation committee shall prepare a liquidation report, submit it to the general meeting or the People's Court for confirmation, and submit it to the Company's registration authority to apply for cancellation of the Company's registration.

Article 195 of Guidelines for Articles of Association

**Article 171** Members of the liquidation committee shall discharge their liquidation duties and they owe duties of loyalty and diligence.

Article 196 of Guidelines for Articles of Association

If a member of the liquidation committee neglects to perform the liquidation duties and causes losses to the Company, he/she shall be liable for compensation; if a member of the liquidation committee causes losses to creditors due to intentional or gross negligence, he/she shall be liable for compensation.

## Chapter 20 Procedures for Amendments to the Articles of Association

**Article 172** The Company will amend its Articles of Association under any of the following circumstances:

- (I) After the Company Law or relevant laws, or administrative regulations are revised, the matters stipulated in the Articles of Association contradict with the provisions of the revised laws or administrative regulations;
- (II) The Company's situation changes and is inconsistent with the matters recorded in the Articles of Association;
- (III) The general meeting makes a resolution to amend the Articles of Association.

**Article 173** If the matters concerning the amendments to the Articles of Association passed by the resolution of the general meeting should be reviewed and approved by the competent authority, they must be reported to the competent authority for approval. For any change relating to the registered particulars of the Company, application shall be made for change in registration in accordance with the laws.

The Board of Directors shall modify the Articles of Association in accordance with the resolution of the general meeting on modifying the Articles of Association and the approval opinions of relevant competent authorities.

Matters concerning the amendment to the Articles of Association which are information required to be disclosed by laws and regulations shall be announced as required.

## Chapter 21 Notices

**Article 174** Unless otherwise specified in this Articles of Association, for notice issued by the Company to the holders of overseas-listed foreign-invested shares by way of announcement, the Company shall on the same day submit an electronic version to the SEHK through the SEHK electronic publishing system for immediate release on the website of the SEHK in accordance with the rules of the listing place. The announcement shall also be published on the Company's website at the same time so as to give the shareholders sufficient notice and time to exercise their rights or act in accordance with the terms of the notice.

Article 198  
of  
Guidelines  
for Articles  
of  
Association

Articles 199,  
200 and 201  
of Guidelines  
for Articles  
of  
Association

Rules 2.07E  
and 2.07F of  
MB Listing  
Rules

Holders of the Company's overseas-listed foreign-invested shares may elect in writing to receive the Company's communications that the Company is required to send to shareholders either by electronic means or by post, and may also elect to receive either the English or Chinese version only, or both the English and Chinese versions. They shall have the right to change their choices as to the manner of receiving the same and the language at any time by reasonable prior written notice to the Company in accordance with applicable procedures. If the notice of the Company is delivered by electronic means, the notice shall be browsed or downloaded from the website of the Company; if the notice of the Company is sent by post, the notice shall be delivered to each of the registered addresses as set forth in the register of shareholders of overseas-listed foreign invested shares by personal delivery or postage paid mail subject to the listing requirement of the listing place.

Unless otherwise required by laws and regulations or the stock exchange on which the Company's securities are listed, any notice or corporate communication issued by the Company that involves a payment or subscription for securities must specify the electronic payment option available to shareholders.

#### **Article 175**

A notice shall be deemed issued when the envelope containing such notice was put into postbox and deemed duly received after 48 hours thereafter if it was delivered by post, provided that the address was clearly written, postage fee pre-paid and the notice was put inside such envelope.

Articles 171  
and 172 of  
Guidelines  
for Articles  
of  
Association

A notice made by the Company to holders of its domestic shares shall be sent by personal delivery or postage paid mail. It shall also be published by way of announcement on one or more media designated by the PRC securities regulatory authorities and on the Company's website; upon the publication of such announcement, all holders of domestic shares shall be deemed to have received the relevant notice.

Notices of domestic general meeting of the Company shall be made by means of announcements.

#### **Article 176**

In respect of the means of provision and/or dispatch of the Company's communications to its shareholders in accordance with the MB Listing Rules, notwithstanding the aforesaid requirement on the provision and/or dispatch of written Company's communications to shareholders, if the Company has obtained shareholders' prior written consent or implied consent according to the relevant laws and regulations and the MB Listing Rules as amended from time to time, the

Rule 2.07A  
of MB  
Listing Rules

Company may dispatch or provide the Company's communications to its shareholders by electronic means or via its and the SEHK's websites. The Company's communications include but not limited to circulars, annual reports, interim reports, quarterly reports, notices of shareholders' general meetings, and other types of the Company's notice as specified in the MB Listing Rules.

**Article 177** Any notice convening a meeting of the Board of Directors by the Company shall be sent by personal delivery, postage paid mail, e-mail, telephone or other means.

Article 173  
of Guidelines  
for Articles  
of  
Association

**Article 178** Unless otherwise provided in the Articles of Association, for a notice given by personal delivery, the person on whom it is served shall sign (or affix his/her seal to) the acknowledgement slip, and the date on which he/she signed in receipt shall be the date of service; for a notice given by mail, the date of service shall be the second working day after the date of consignment to the post office; for a notice given by way of announcements, the first day of publication shall be the date of service.

Article 174  
of Guidelines  
for Articles  
of  
Association

**Article 179** Where a notice of a meeting is not issued to persons entitled to the notice or such persons fail to receive the notice for any accidental omission, the validity of the meeting and the resolutions of the meeting shall not be affected.

Article 175  
of Guidelines  
for Articles  
of  
Association

**Article 180** The Company shall abide by the following rules for dispute resolution:

(I) whenever any disputes or claims arise between (i) the Company and its Directors or senior executives, and (ii) shareholders of overseas-listed foreign shares and the Company, shareholders of overseas-listed foreign shares and the Company's Directors, general manager or other senior executives, or shareholders of overseas-listed foreign shares and shareholders of domestic shares, based on any rights or obligations conferred or imposed by our Articles of Association, the Company Law, or any other relevant laws and administrative regulations concerning the affairs of the Company, such disputes or claims shall be referred by the relevant parties to arbitration. Where a dispute or claim of rights is referred to arbitration, the entire claim or dispute shall be referred to arbitration, and all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall abide by the arbitration provided that such person is in the capacity of the Company or our shareholders, Directors, general manager, or other senior executive. Disputes in relation to the identification of shareholders and disputes in relation to the share register need not be referred to arbitration.

(II) A claimant may elect arbitration at either the China International Economic and Trade Arbitration Commission in accordance with its rules or the Hong Kong International Arbitration Centre in accordance with its Securities Arbitration Rules. Once a claimant refers a dispute or claim to arbitration, the other party shall submit to the arbitral body elected by the claimant.

If a claimant elects arbitration at Hong Kong International Arbitration Centre, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Centre.

(III) If any dispute or claim of rights stated in (I) is referred to arbitration, the laws of the People's Republic of China shall apply, save as otherwise provided in the laws and administrative regulations.

(IV) The award of an arbitration body shall be final and conclusive and binding upon all the parties.

## Chapter 22 Supplementary Provisions

**Article 181** The references “not less than”, “within” and “not more than” referred to in these Articles are all inclusive terms, while the references “more than” and “other than” are exclusive terms.

Article 205  
of  
Guidelines  
for Articles  
of Association

**Article 182** The references “senior management” referred to general manager, vice-general manager, chief financial officer, Board secretary and other officers employed by the Board.

Article 12 of  
Guidelines  
for Articles  
of Association

The “general manager”, “vice-general manager” and “chief financial officer” in the Articles of Association referred to “general manager”, “vice-general manager” and “chief financial officer” in the Company Law.

**Article 183** For the purpose of the Articles of Association, references to accounting firm shall bear the same meaning as “auditors”.

**Article 184** These Articles of Association are written in Chinese. Where versions in other languages or different versions have different interpretations or meanings, the latest verified Chinese version registered in the Company registration authority shall prevail.

Article 206  
of  
Guidelines  
for Articles  
of Association

The Articles of Association shall be interpreted by the Board of the Company. Any matters unspecified in the Articles of Association shall be decided by resolutions of the general meetings proposed by the board of directors.

This Articles of Association shall comply with the listing rules of the stock exchange on which the Company's shares are listed, other laws and regulations, as amended from time to time. In case of any inconsistencies, contraventions or conflicts arising between any applicable laws, regulations, the listing rules of the stock exchange on which the Company's shares are listed and this Articles of Association, the relevant laws, regulations and the listing rules of the stock exchange on which the Company's shares are listed shall prevail and this Articles of Association shall be amended accordingly.

The attachments to the Articles of Association shall include the Rules of Procedures of General Meetings and the Rules of Procedures of the Board Meetings.