

**SUZHOU RIBO LIFE SCIENCE CO., LTD.**

**ARTICLES OF ASSOCIATION**

**(Considered and approved at the 2025 second extraordinary  
general meeting on March 18, 2025)**

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## CHAPTER I GENERAL PROVISIONS

**Article 1** For the purposes of safeguarding the legitimate rights and interests of the Company, its shareholders, employees and creditors, and regulating the organization and activities of the Company, the Articles of Association are formulated in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law"), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules") and other relevant laws and regulations and with reference to the Guidelines for the Articles of Association of Listed Companies.

**Article 2** The Company is a joint stock company with limited liability (hereinafter referred to as the "Company") established in accordance with the Company Law and other relevant provisions. The Company was established through overall conversion of Suzhou Ribo Life Science Limited (蘇州瑞博生物技術有限公司, hereinafter referred to as "Ribo Limited"). The Company was registered with Kunshan Municipal Administration for Market Regulation, and obtained its business license with the Unified Social Credit Code of 913205837965412157.

**Article 3** The Company completed the filing with China Securities Regulatory Commission (hereinafter referred to as the "CSRC") on October 24, 2025. As approved by The Stock Exchange of Hong Kong Limited (hereinafter referred to as "Hong Kong Stock Exchange") on January 8, 2026, the Company made its initial public offering of 31,610,400 overseas-listed ordinary shares to overseas investors, with nominal value of RMB1 each. The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited on January 9, 2026, and 4,741,400 H shares can be issued pursuant to the exercise of the over-allotment option.

The shares issued by the Company but not listed or traded on any domestic or overseas stock exchange are referred to as unlisted shares. Upon the Company's overseas issuance and listing of shares, subject to the relevant laws, administrative regulations and departmental rules, shareholders holding unlisted shares can convert their unlisted shares into overseas listed shares, and have such shares listed and traded on overseas stock exchange(s). The listing and trading of such shares on overseas stock exchange(s) shall comply with the regulatory procedures, regulations and requirements of both domestic and overseas securities markets. The conversion of the unlisted shares into overseas listed shares for listing and trading on overseas stock exchange(s) as mentioned above does not require voting at a general meeting.

**Article 4** The registered name of the Company: 蘇州瑞博生物技術股份有限公司.

English name of the Company: Suzhou Ribo Life Science Co., Ltd.

**Article 5** The domicile of the Company: No. 168 Yuanfeng Road, Yushan Town, Kunshan City, Jiangsu Province.

Postal code: 215300

**Article 6** Prior to the initial public offering of H shares, the registered capital of the Company was RMB134,203,110. Upon the completion of initial public offering of H shares, the registered capital of the Company is RMB165,813,510 assuming the over-allotment option is not exercised, and its registered capital is RMB170,554,910 assuming the over-allotment option is exercised in full.

**Article 7** The Company has a long-term business term.

**Article 8** The Company's legal representative shall be a director who performs corporate affairs on behalf of the Company, i.e. the chairman of the board of directors (hereinafter referred to as the "Board" or the "Board of Directors") of the Company.

**Article 9** The entire capital of the Company are divided into equal shares, the shareholders shall be liable to the Company to the extent of the number of shares they have subscribed for, and the Company shall be liable for its debts with all its assets.

**Article 10** Upon entering into force, the Articles of Association shall become a legally binding document that regulates the organization and activities of the Company, as well as the rights and obligations between the Company and each shareholder and among its shareholders. The Articles of Association shall be legally binding upon the Company, its shareholders, directors, supervisors, managers and other senior management. Pursuant to the Articles of Association, any shareholder of the Company may institute any legal proceeding against its other shareholders; any shareholder of the Company may institute any legal proceeding against its directors, supervisors, managers and other senior management; any shareholder of the Company may institute any legal proceeding against the Company, while the Company may institute any legal proceeding against its shareholders, directors, supervisors, managers and other senior management.

**Article 11** For the purpose of the Articles of Association, other senior management member shall refer to the Company's deputy general managers, secretary to the Board of Directors and chief financial officer as well as other senior officers in charge of corporate affairs as determined by the Company.

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

**Article 12** The Company's objectives of business are to provide reasonable and lawful returns for all investors.

**Article 13** As registered according to law, the Company's scope of business is as follows: research of nucleic acid technologies, development of related products and technical services. Sales of self-produced products. (Except for items subject to approval according to law, business activities shall be carried out upon the approval of relevant authorities) Permitted items: pharmaceutical wholesale; pharmaceutical retail; production of pharmaceuticals; import and export of pharmaceuticals; import and export of technologies; import and export of goods; production of Class III medical devices; operation of Class III medical devices. (Except for items subject to approval according to law, business activities shall be carried out upon the approval of relevant authorities, with specific items for operation based on the results of approval) General items: medical research and experimental development; technical services, technical development, technical consulting, technical exchanges, technical transfer and technical promotion; sales of chemical products (excluding permitted chemical products); engineering and technology research and experimental development; manufacture of pharmaceutical equipment; sales of pharmaceutical equipment; manufacture of drug testing instruments (Except for items subject to approval according to law, business activities shall be conducted independently by virtue of business license)

## CHAPTER III SHARES

### Section 1 Issue of Shares

**Article 14** The shares of the Company shall take the form of share certificates. The share certificates of the Company shall be in registered form. The share certificates of the Company shall contain, in addition to those matters provided in the Company Law, such other matters as may be required by the stock exchange where the shares of the Company are listed.

**Article 15** The shares of the Company shall be issued in accordance with the principles of openness, fairness and justice. Each share of the same class shall carry the same rights.

Shares of the same class and the same issue shall be issued on the same conditions and at the same price. Any individual shall pay the same price for each of the shares he/she subscribes for.

**Article 16** The shares issued by the Company, all of which are ordinary shares, shall be denominated in RMB, with a nominal value of RMB1.00 per share. Among the shares issued by the Company, the domestic unlisted shares shall be centrally registered and deposited with the domestic securities depository and clearing institutions. Subject to the applicable laws, securities regulatory rules, and securities registration and depository requirements of the place where the shares of the Company are listed overseas, the overseas listed shares issued by the Company can be entrusted to a custodian company under Hong Kong Securities Clearing Company Limited for custody, and may also be held by shareholders in their own names.

**Article 17** The Company was established through overall conversion of Ribo Limited on August 14, 2020, and the number of shares subscribed for by the promoters and their shareholding percentage at the inception of the Company were as follows:

No.	Name of promoter	Number of shares held (shares)	Shareholding percentage (%)
1	LIANG ZICAI (梁子才)	14,367,288	12.97
2	XI Zhen (席真)	2,847,150	2.57
3	ZHANG Lihe (張禮和)	1,898,100	1.71
4	Kunshan Ruikong Enterprise Management Consulting L.P. (昆山瑞控企業管理諮詢合夥企業(有限合夥))	10,842,204	9.79
5	Kunshan Ruiji Enterprise Management Consulting L.P. (昆山瑞技企業管理諮詢合夥企業(有限合夥))	1,428,498	1.29
6	Kunshan Ruiman Enterprise Management Consulting L.P. (昆山瑞曼企業管理諮詢合夥企業(有限合夥))	5,539,551	5.00
7	MO Hua (莫華)	3,037,458	2.74
8	LIU Guoping (劉國平)	1,899,525	1.72

<b>No.</b>	<b>Name of promoter</b>	<b>Number of shares held (shares)</b>	<b>Shareholding percentage (%)</b>
9	Claes Robert Wahlestedt	712,500	0.64
10	Joseph Wade Collard	712,500	0.64
11	Wise Vigour Limited	7,363,287	6.65
12	Suzhou Jiyuan Yuanxing Equity Investment L.P. (蘇州紀源源星股權投資合夥企業(有限合夥))	5,345,175	4.83
13	Ningbo Panlin Qianyuan Venture Capital Partnership (Limited Partnership) (寧波磐霖仟源創業投資合夥企業(有限合夥))	4,380,906	3.96
14	Kunshan Industrial Technology Research Institute of Small Nucleic Acid Biotechnology Research Institute Co. Ltd. (昆山市工業技術研究院小核酸生物技術研究所有限責任公司)	3,224,973	2.91
15	Xizang Xingfan Enterprise Management Co., Ltd. (西藏星帆企業管理有限公司)	1,580,187	1.43
16	Future Industry Investment Fund (Limited Partnership) (先進製造產業投資基金(有限合夥))	10,114,095	9.13
17	Jiaxing Futong Investment L.P. (嘉興福通投資合夥企業(有限合夥))	1,686,981	1.52
18	China Resources Life Sciences Group Co., Ltd. (華潤生命科學集團有限公司)	2,133,099	1.93
19	Zhuhai Qidi Rongchuang I Medical Industry Investment L.P. (珠海啟迪融創一期醫療產業投資合夥企業(有限合夥))	1,066,548	0.96
20	Ionis Pharmaceuticals, Inc.	7,634,247	6.89
21	Ningbo Daxie Yungong Jiajie Equity Investment Partnership (Limited Partnership) (寧波大榭允公嘉傑股權投資合夥企業(有限合夥))	1,210,362	1.09
22	Shanghai Chuang Yuan Yuan Investment Management Co. Ltd. (上海創源垣投資管理有限公司)	394,626	0.36
23	Jiaxing Panlin Yuesheng Venture Capital Partnership (Limited Partnership) (嘉興磐霖悅生創業投資合夥企業(有限合夥))	817,455	0.74
24	Shanghai Panlong Venture Capital Partnership (Limited Partnership) (上海磐隴創業投資合夥企業(有限合夥))	817,455	0.74

<b>No.</b>	<b>Name of promoter</b>	<b>Number of shares held (shares)</b>	<b>Shareholding percentage (%)</b>
25	Trinity Zhongzhi (Tianjin) Venture Capital Center L.P. (三一眾志(天津)創業投資中心(有限合夥))	878,766	0.79
26	Trinity UCSF Limited	347,418	0.31
27	Xinsu Ronghe (Changzhou) Environment Protection Investment Fund L.P. (新蘇融合(常州)環保投資基金(有限合夥))	613,092	0.55
28	Kunshan Shuangyu Investment Enterprise L.P. (昆山雙禺投資企業(有限合夥))	408,729	0.37
29	Shanghai Bluestone Investment Co., Ltd. (上海藍石投資有限公司)	408,729	0.37
30	Shenzhen Blue Ocean No. 1 Fund Management Investment Center L.P. (深圳藍海壹號基金管理投資中心(有限合夥))	490,473	0.44
31	Jiaxing Xiangtian Venture Capital L.P. (嘉興象田創業投資合夥企業(有限合夥))	204,363	0.19
32	Shenzhen Yilong Venture Capital L.P. (深圳翼龍創業投資合夥企業(有限合夥))	5,926,596	5.35
33	Zhuhai Qiheng Equity Investment L.P. (珠海騏恒投資合夥企業(有限合夥))	1,743,117	1.57
34	CICC Qide (Xiamen) Innovation Biomedical Equity Investment Fund Partnership (Limited Partnership) (中金啟德(廈門)創新生物醫藥股權投資基金合夥企業(有限合夥))	2,091,741	1.89
35	Shanghai Yangtze River Delta Industrial Upgrading Equity Investment L.P. (上海長三角產業升級股權投資合夥企業(有限合夥))	1,743,117	1.57
36	Ningbo Meishan Bonded Port District Qirui Equity Investment L.P. (寧波梅山保稅港區祺睿股權投資中心(有限合夥))	1,045,869	0.94
37	Langma Seventeen (Shenzhen) Venture Capital Center L.P. (朗瑪十七號(深圳)創業投資中心(有限合夥))	522,936	0.47
38	Langma Twenty (Shenzhen) Venture Capital Center L.P. (朗瑪二十號(深圳)創業投資中心(有限合夥))	522,936	0.47



No.	Name of promoter	Number of shares held (shares)	Shareholding percentage (%)
39	Zhuhai Hongtao Youxuan Equity Investment Partnership (LP) (珠海弘陶優選股權投資合夥企業(有限合夥))	697,248	0.63
40	Jiaxing Co-way Yintian Venture Capital L.P. (嘉興眾匯銀田創業投資合夥企業(有限合夥))	1,045,869	0.94
41	Shanghai Zhulu Enterprise Management Consultation Center L.P. (上海築陸企業管理諮詢中心(有限合夥))	1,045,869	0.94
<b>Total</b>		<b>110,791,038</b>	<b>100.00</b>

**Article 18** Upon the completion of the initial public offering of H shares, assuming the over-allotment option is not exercised, the share capital structure of the Company upon the listing is comprised of 165,813,510 ordinary shares; and if the over-allotment option is exercised in full, the share capital structure of the Company is comprised of 170,554,910 ordinary shares.

**Article 19** The Company or its subsidiaries (including its affiliates) shall not provide any assistance to the person who purchases or intends to purchase the Company's shares in the form of gifts, advances, guarantees, compensation or loans, except when the Company implements the employee stock ownership schemes.

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

**Article 20** In light of the Company's needs for operation and development, the Company may increase its registered capital according to laws, regulations, the Hong Kong Listing Rules, and other securities regulatory rules of the place where the shares of the Company are listed and subject to a special resolution of the general meeting, by any of the following means:

- (i) public offering of shares;
- (ii) non-public offering of shares;
- (iii) placement of shares to existing shareholders;
- (iv) distribution of bonus shares to existing shareholders;
- (v) converting the reserve funds into share capital;
- (vi) other means stipulated by applicable laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules and other regulatory rules of the place where the shares of the Company are listed and approved by or filed with the relevant regulatory authorities.

**Article 21** The Company may reduce its registered capital. Any reduction of the Company's registered capital shall be subject to the procedures prescribed in the Company Law, the Hong Kong Listing Rules and other relevant regulations, as well as the Articles of Association.

**Article 22** Under any of the following circumstances, the Company may repurchase its own shares in accordance with laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules and other regulatory rules of the place where the shares of the Company are listed and the Articles of Association:

- (i) reducing the registered capital of the Company;
- (ii) merging with another company holding shares of the Company;
- (iii) using shares for employee stock ownership schemes or share incentives;
- (iv) acquiring the shares of shareholders (upon their request) who vote against any resolution adopted at the general meeting on the merger or division of the Company;
- (v) using shares for converting convertible corporate bonds into shares issued by the Company;
- (vi) as required for the Company to maintain corporate value and shareholders' interests;
- (vii) other circumstances under which the shares of the Company may be repurchased as permitted by laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed.

The Company shall not engage in trading of the Company's shares except under the circumstances described above.

The Company may repurchase its own shares in any of the following manner:

- (i) to make a repurchase offer to all shareholders in proportion to their respective shareholdings;
- (ii) to repurchase through public trading;
- (iii) other means as permitted by laws, administrative regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed and the CSRC (if appropriate). Where the Company repurchases its own shares under any of the circumstances specified in items (iii), (v) and (vi) in the first paragraph of Article 22 of the Articles of Association, public centralized trading shall be adopted.

**Article 23** The repurchase by the Company of its own shares under any of the circumstances specified in items (i) and (ii) in the first paragraph of Article 22 of the Articles of Association shall require a resolution of the general meeting; the repurchase by the Company of its own shares under any of the circumstances specified in items (iii), (v) and (vi) in the first paragraph of Article 22 of the Articles of Association shall require a resolution of a Board meeting attended by two-thirds or more of the directors, under the authorization of the general meeting and provided that it complies with the applicable securities regulatory rules of the place where the shares of the Company are listed. After the Company repurchasing its own shares pursuant to the provisions of the first paragraph of Article 22, such shares shall be cancelled within 10 days from the date of repurchase under the circumstance as described in item (i); such shares shall be either transferred or cancelled within six months under the circumstances as described in items (ii) and (iv).

The shares of the Company repurchased by the Company under the circumstances as described in the provisions of items (iii), (v) and (vi) of the first paragraph of Article 22 shall not exceed 10% of the total number of issued shares of the Company and shall be transferred or cancelled within three years; such repurchase shall be funded by after-tax profits of the Company.

In the case of overseas-listed shares, if laws, regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed provide otherwise in respect of matters related to share repurchases, such provisions shall prevail.

For any repurchase of its own shares by the Company, the obligation of information disclosure shall be fulfilled in accordance with the relevant provisions of the Securities Law, the securities regulatory rules of the place where the shares of the Company are listed, and the CSRC and the Hong Kong Stock Exchange.

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

**Article 24** The shares of the Company may be transferred according to law. All transfers of H Shares shall be effected by instruments of transfer in writing in a general or ordinary form or in any other forms acceptable to the Board of Directors (including the standard transfer format or form of transfer that the Hong Kong Stock Exchange may provide from time to time); the instruments of transfer may be signed by hand only or stamped with the Company's valid seal (where the transferor or transferee is a corporation). Where the transferor or transferee is a recognized clearing house (hereinafter referred to as the "recognized clearing house") as defined by relevant regulations of Hong Kong laws from time to time, or any of its agents, the instruments of transfer may be signed manually or mechanically printed. All instruments of transfer shall be maintained at the statutory address of the Company or such places as the Board of Directors may designate from time to time.

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

**Article 26** Shares already issued by the Company before the public offering shall not be transferred within one year of the date on which the shares of the Company are listed on the Main Board of the Hong Kong Stock Exchange.

The directors, supervisors, and senior management of the Company shall declare, to the Company, information on their holdings of the shares of the Company and the changes thereto. The shares transferrable by them during each year of their term of office shall not exceed 25% of the total shares they hold in the Company. They shall not transfer their shares of the Company within half a year from the date of their resignation. The shares that they hold in the Company shall not be transferred within one year of the date on which the shares of the Company are listed and traded. If the securities regulatory rules of the place where the shares of the Company are listed provide otherwise in respect of the transfer restrictions on the Company's shares, such provisions shall prevail.

**Article 27** Where the Company's shareholders (except for Hong Kong Securities Clearing Company Limited and HKSCC Nominees Limited), directors, supervisors, or senior management who hold 5% or more of the Company's shares sell the Company's shares or other securities with the nature of equity they hold within six months of the relevant purchase, or purchase any share they have sold within six months of the relevant sale, the proceeds generated therefrom shall be incorporated into the profits of the Company, and the Board of Directors of the Company shall recover the proceeds. However, this does not apply under circumstances where securities companies hold 5% or more of the shares due to purchasing remaining shares after underwriting and sale, or other circumstances stipulated by the regulatory rules of the place where the shares of the Company are listed and the CSRC.

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

If the Board of Directors of the Company fails to comply with the first paragraph of this article, the shareholders are entitled to request the Board of Directors to do so within 30 days. If the Board of Directors of the Company fails to comply within the aforesaid period, the shareholders are entitled to initiate a legal proceeding directly in the people's court in their own names for the interest of the Company.

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

## **CHAPTER IV SHAREHOLDERS AND GENERAL MEETINGS**

### **Section 1 Shareholders**

**Article 28** The Company shall make a register of members based on the vouchers provided by securities registrar institutions. The register of members shall be sufficient evidence of the holding of shares in the Company by shareholders. Shareholders shall enjoy rights and assume obligations in accordance with the class of shares they hold; shareholders holding the same class of shares shall enjoy equal rights and assume equal obligations.

The Company may, in accordance with the mutual understanding and agreements made between the competent securities authorities of the State Council and overseas securities regulatory authorities, maintain its register of holders of H shares outside the PRC and appoint overseas agent(s) to manage such register. The original of register of holders of H shares shall be maintained in Hong Kong and made available for inspection by shareholders. However, the Company may close the register of members (if necessary) in accordance with applicable laws and regulations and the securities regulatory rules of the place where the shares of the Company are listed. The duplicates of the register of holders of H shares shall be maintained at the domicile of the Company. The appointed overseas agent(s) shall ensure the consistency between the original and the duplicate of the register of holders of H shares at any time. If there is any inconsistency between the original and the duplicate of the register of holders of H shares, the original shall prevail.

Any shareholder who is registered in the register of holders of H shares or any person who requests to have his/her name entered the register of holders of H shares may apply to the Company for replacement of share certificate if his/her share certificate is lost. If a shareholder whose share certificate of H shares is lost applies to the Company for replacement of share certificate, such replacement shall be dealt with in accordance with the laws, rules of the stock exchange(s) or other relevant provisions of the place where the original register of holders of H shares is kept.

**Article 29** When the Company convenes a general meeting, distributes dividends, carries out liquidation or other matters requiring the identification of shareholders, the Board or the convener of the general meeting shall decide a record date. Shareholders whose names appear on the register of members as at the end of the record date shall be the shareholders entitled to the relevant rights and interests.

Where there are provisions in the Hong Kong Listing Rules on the period of closure of register of members prior to a general meeting or prior to the reference day on which the Company decides to distribute dividends, such provision shall prevail.

**Article 30** Shareholders of the Company are entitled to the following rights:

- (i) to speak and vote at general meetings, except where they are required by the Hong Kong Listing Rules to abstain from voting on individual matters;
- (ii) to receive dividends and other distributions in other forms in proportion to the number of shares held by them;
- (iii) to request, summon, preside over, attend or appoint a proxy to attend general meetings in accordance with law, to speak and exercise the corresponding voting rights (except where individual shareholders are required by the Hong Kong Listing Rules to abstain from voting on individual matters) at general meetings;
- (iv) to monitor the Company's business operations and make recommendations or queries;
- (v) to transfer, gift or pledge shares held by them in accordance with laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association;
- (vi) to inspect and replicate the Articles of Association, the register of members (including the register of holders of H shares, the Company may close the register of members in accordance with the provisions equivalent to Section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)), minutes of general meetings, resolutions of meetings of the Board, resolutions of meetings of the Supervisory Committee and financial accounting reports published or disclosed;
- (vii) to participate in the distribution of the remaining assets of the Company in the proportion of the shares they hold in the event of its termination or liquidation;
- (viii) to require the Company to purchase the shares of shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company;

- (ix) other rights prescribed by laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

The shareholders holding a minority stake in the Company shall be able to convene an extraordinary general meeting and add resolutions to a meeting agenda. The minimum stake required to do so shall be 10% of the voting rights, on a one vote per share basis, in the share capital of the Company.

**Article 31** Where a shareholder requests to inspect the relevant information or demand for materials as set forth in the preceding article, the shareholder shall provide the Company with written documents evidencing the class and number of shares held by him/her/it in the Company and the Company shall provide the above information at the request of such shareholder upon verification of the shareholder's identity. If a shareholder divulges the above relevant information after obtaining the information in accordance with the provisions of the Articles of Association, causing damage to the legitimate interests of the Company, the shareholder shall be liable for compensation for the relevant losses caused to the Company in accordance with laws.

**Article 32** Where a shareholder holding 5% or more voting shares of the Company pledges any shares in his/her/its possession, he/she/it shall report the same to the Company in writing on the day on which he/she/it pledges his/her/its shares.

**Article 33** If a resolution of the general meeting or the Board of the Company violates laws or administrative regulations, shareholders have the right to petition a people's court to invalidate the resolution.

If the procedure for convening or the method of voting at a general meeting or a meeting of the Board violates laws, administrative regulations or the Articles of Association, or if the contents of a resolution breach the Articles of Association, shareholders have the right to request the people's court to revoke such resolution within 60 days from the date on which the resolution is adopted, unless there are only minor defects in the procedures for convening a general meeting or a meeting of the Board or in the method of voting, which do not have a material impact on the resolution. Shareholders who have not been notified to participate in the general meeting may, within 60 days from the date when they knew or should have known that the resolution of the general meeting has been made, request the people's court to revoke the resolution; and the right of revocation shall be extinguished if the right of revocation is not exercised within one year from the date when the resolution is made.

**Article 34** If any director or senior management violates laws, administrative regulations or provisions of the Articles of Association in performing his/her duties in the Company causing loss to the Company, shareholders who individually or collectively hold 1% or more shares in the Company for 180 or more consecutive days may make a written request to the Supervisory Committee to initiate legal proceedings at a people's court in accordance with laws. If the Supervisory Committee violates laws, administrative regulations or provisions of the Articles of Association in performing its duties in the Company causing loss to the Company, the shareholders may make a written request to the Board to initiate legal proceedings at a people's court in accordance with laws.



If the Supervisory Committee or the Board rejects to initiate legal proceedings after receiving the written request or fails to initiate legal proceedings within 30 days after receiving the request, or the situation is so urgent that the Company's interests will suffer irremediable harm if legal proceedings are not initiated immediately, the shareholders specified in the preceding paragraph shall have the right to directly initiate legal proceedings at a people's court in their own names for the benefit of the Company.

If any other person infringes on the Company's interest causing loss to the Company, the shareholders specified in the first paragraph of this article may initiate legal proceedings at a people's court pursuant to procedures stated in the two preceding paragraphs.

If a director, supervisor or senior management of a wholly-owned subsidiary of the Company violates any provisions of laws, administrative regulations or the Articles of Association when performing his/her duties with the Company resulting in losses to the Company, or if any person infringes the legitimate rights and interests of a wholly-owned subsidiary of the Company resulting in losses to the Company, shareholders individually or collectively holding 1% or more of the shares of the Company for 180 or more consecutive days may, in accordance with the provisions of the preceding three paragraphs, request in writing that the supervisory committee or the board of directors of the wholly-owned subsidiary to initiate legal proceedings with the people's court, or initiate such legal proceedings with the people's court directly in their own names.

**Article 35** In the event of violation of laws, administrative regulations or the Articles of Association by a director or senior management causing damage to the shareholders' interest, the shareholders may initiate legal proceedings with the people's court.

**Article 36** The shareholders of the Company shall assume the following obligations:

- (i) abiding by laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association;
- (ii) paying the share subscription price based on the number of shares subscribed for and the manners of subscription;
- (iii) not returning shares, unless otherwise stipulated by laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association;
- (iv) not abusing shareholder's rights to harm the interests of the Company or other shareholders, and shall be liable for compensation in accordance with law if causing losses to the Company or other shareholders; not abusing the independent legal person status of the Company and the limited liability of shareholders to evade debts and harm the interests of the Company's creditors, and shall assume joint and several liability for the Company's debts if causing serious harms to the interests of the Company's creditors;
- (v) any other obligations stipulated by laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

A shareholder engages in any acts prescribed in the preceding paragraph through two or more companies he/she/it controlled, each of such company shall be held jointly and severally liable for the debts of the Company.

**Article 37** The controlling shareholders and the actual controllers of the Company shall have fiduciary duties towards the Company and other shareholders. The controlling shareholders shall exercise its rights as a contributor in strict compliance with law. The controlling shareholders shall not do harm the legitimate rights and interests of the Company and other shareholders through means such as profit distribution, asset restructuring, external investment, possession of capital and borrowing guarantees, and shall not make use of their controlling status against the interests of the Company and other shareholders. The controlling shareholders, the actual controllers, directors, supervisors and senior management of the Company shall not exploit their related party (connected) relationship to harm the interests of the Company. In the event of any damages caused to the Company due to their violation of regulations, they shall be liable for such damages. If the Company's controlling shareholders or actual controllers instruct a director or a senior management to engage in any acts that damage the interests of the Company or shareholders, they shall be jointly and severally liable with such director or senior management.

## **Section 2 General Provisions for General Meetings**

**Article 38** The general meeting is the organ of authority of the Company, and shall exercise the following functions and powers according to law:

- (i) to elect and replace the directors and supervisors who are not employee representatives and to decide on the matters relating to the remuneration of directors and supervisors;
- (ii) to consider and approve the reports of the Board of Directors;
- (iii) to consider and approve the reports of the Supervisory Committee;
- (iv) to consider and approve the profit distribution plans and loss recovery plans of the Company;
- (v) to make a resolution on the increase or decrease of the registered capital of the Company;
- (vi) to make a resolution on the issuance of corporate bonds;
- (vii) to make a resolution on the merger, division, dissolution, liquidation or change in corporate form of the Company;
- (viii) to amend the Articles of Association;
- (ix) to make a resolution on the Company's engagement and dismissal of an accounting firm and the audit fee of the accounting firm;
- (x) to consider and approve the transactions prescribed in Article 39;
- (xi) to consider and approve the guarantees prescribed in Article 40;



- (xii) to consider the purchase or sale of material assets by the Company exceeding 30% of the Company's latest audited total assets within one year;
- (xiii) to consider and approve transactions between the Company and its related (connected) parties that meet the requirements for approval by the general meeting under the Hong Kong Listing Rules;
- (xiv) to consider and approve changes in the use of proceeds;
- (xv) to consider the share incentive schemes and/or the employee stock ownership schemes;
- (xvi) to consider other matters on which decisions shall be made by the general meeting as required by laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

The transactions in which the Company receives benefits unilaterally, including receiving monetary assets as gift, debt relief, accepting guarantees and assistance etc., may be exempt from the consideration procedure at the general meeting set forth in item (x) of the first paragraph of this article. The transactions between the Company and its majority-owned subsidiaries within the scope of its consolidated statements or between the above-mentioned majority-owned subsidiaries shall be exempt from the consideration procedure at the general meeting set forth in item (x) of the first paragraph of this article, unless where otherwise provided or where the legitimate rights and interests of shareholders are impaired.

**Article 39** Transactions (excluding financial assistance, and provision of guarantee and other transactions of the Company without involving any payment of consideration or attaching any obligations such as receiving monetary assets as gift and debt relief) of the Company meeting any of the following standards based on the definition of transactions under the Hong Kong Listing Rules and relevant calculations, shall be submitted to the general meeting for consideration upon consideration and approval by the Board of Directors:

1. major transactions;
2. very substantial disposals;
3. very substantial acquisitions;
4. reverse takeovers.

Transactions as mentioned above in this article include the purchase or disposal of assets; external investment (including consigned wealth management, investment in subsidiaries, etc.); lease-in or lease-out of assets; asset and business management as consignor or consignee; donating or accepting donations of assets; external donations; creditor's rights and debt reorganisation; conclusion of license agreements; transfer of research and development projects as transferor or transferee; the grant, acceptance, transfer, exercise, termination or waiver of rights (including the waiver of the first right of refusal and the right of first offer), etc.

The aforesaid transactions exclude the following transactions relating to daily business operations of the Company: purchase of raw materials, fuels and power; receipt of services; sale of products and goods; provision of services; contracting of projects and other transactions relating to daily business operations. However, any transactions mentioned above that are involved in asset swap shall be included.

The amounts of transactions as mentioned in this article shall be calculated with reference to the relevant provisions in Chapter 14 of the Hong Kong Listing Rules, as applicable.

Financial assistance (including interest-bearing or interest-free loans and consigned loans) of the Company subject to approval as required by the Hong Kong Listing Rules at the general meeting, shall also be submitted to the general meeting for consideration upon consideration and approval by the Board of Directors. If the target of financial assistance is a majority-owned subsidiary within the scope of its consolidated statements and other shareholders of the majority-owned subsidiary do not include any controlling shareholder and actual controller of the Company and their related (connected) parties, it is not subject to the above requirements.

**Article 40** The following external guarantees to be given by the Company shall be considered and approved by the general meeting:

- (i) any guarantee to be provided after the total amount of external guarantees provided by the Company or its majority-owned subsidiaries has reached or exceeded 50% of its latest audited net assets;
- (ii) any guarantee to be provided after the total amount of external guarantees provided by the Company has reached or exceeded 30% of its latest audited total assets;
- (iii) any guarantee provided by the Company for a period of 12 consecutive months with an amount exceeding 30% of its latest audited total assets;
- (iv) any guarantee to be provided for a party whose debt-to-assets ratio exceeding 70%;
- (v) any single guarantee with an amount exceeding 10% of the Company's latest audited net assets;
- (vi) any guarantee to be provided for shareholders, actual controllers and their related (connected) parties;
- (vii) other guarantees that subject to the consideration and approval of the general meeting as required by the relevant applicable laws, regulations, normative documents, the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association or the Company's other systems.

External guarantees other than those specified above shall be considered and approved by the Board of Directors. When considering guarantee matters, the Board of Directors must obtain the consent of two-thirds or more of the directors present at the Board meeting.

If the Company violates the authority of the general meeting or the Board of Directors under the Articles of Association in approving external guarantees, or provides external guarantees in breach of the prescribed approval authority or consideration procedures, relevant personnel shall be held accountable in accordance with the relevant laws, regulations, normative documents, the securities regulatory rules of the place where the shares of the Company are listed, and the provisions of the Articles of Association.

**Article 41** General meetings are classified into annual general meetings and extraordinary general meetings. Annual general meetings shall be convened once a year within six months from the end of the previous fiscal year.

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

- (i) when the number of directors is less than two thirds of the number prescribed by law and the number specified in the Articles of Association;
- (ii) when the unrecovered losses of the Company amount to one-third of the total share capital;
- (iii) when shareholders individually or collectively holding 10% or more shares of the Company make such request;
- (iv) when the Board of Directors deems it necessary;
- (v) when the Supervisory Committee proposes to hold such a meeting;
- (vi) when the number of independent non-executive directors falls short of the statutory minimum specified in law;
- (vii) other circumstances as stipulated in applicable laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

The number of shares held as described in item (iii) above shall be calculated as per the shares of the Company held by the shareholder on the date when such written request is made by such shareholder or if such date is a non-trading day, the close of trading day immediately prior to date of such written request.

The general meeting of the Company shall be convened at: the domicile of the Company, or the venue specified in the notice of general meeting. The time and venue of the on-site meeting shall be convenient for shareholders to attend. After the notice of a general meeting has been issued, the venue for holding the on-site general meeting shall not be changed without a justifiable reason. If a change is necessary, the convener shall notify all shareholder at least two working days prior to the date when the on-site meeting is to be held and explain the reasons.

The Company shall provide Internet, video, telephone or other means to facilitate shareholders in participating the general meeting under the premise of ensuring that the general meeting is lawful and effective, and in accordance with laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed. Any shareholders who participate in the general meeting through the aforesaid method shall be deemed as present.

After the notice of a general meeting has been issued, the venue for holding the on-site general meeting shall not be changed without a justifiable reason. If a change is necessary, the convener shall make an announcement at least two working days prior to the date when the on-site meeting is to be held and explain the reasons.

If the extraordinary general meeting is convened in response to the provisions of the securities regulatory rules of the place where the shares of the Company are listed, the actual date of the extraordinary general meeting may be adjusted in accordance with the provisions of the relevant rules of the stock exchange where the shares of the Company are listed (if applicable).

**Article 42** When holding a general meeting, the Company shall engage lawyers to give legal opinions on the following matters:

- (i) whether the procedures of convening and holding the meeting comply with laws, administrative regulations and the Articles of Association;
- (ii) whether the qualifications of the attendees and the convener of the meeting are lawful and valid;
- (iii) whether the voting procedure and the voting results of the meeting are lawful and valid;
- (iv) legal opinions on other relevant matters upon request by the Company.

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

**Article 43** General meetings shall be convened by the Board of Directors. The publication of notices of general meetings (including supplementary notices) shall comply with the relevant laws and regulations and the securities regulatory rules of the place where the shares of the Company are listed.

**Article 44** The Supervisory Committee shall have the right to propose to the Board of Directors the convening of an extraordinary general meeting and shall submit the proposal in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations and the provisions of the Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of the extraordinary general meeting within ten days after receiving the proposal.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice to convene the general meeting within five days after a resolution of the Board of Directors is made, and any changes to the original proposal in the notice shall be subject to the consent of the Supervisory Committee.

If the Board of Directors does not agree to convene an extraordinary general meeting or fails to provide feedback within ten days after receiving the proposal, it shall be deemed that the Board of Directors is unable to perform or does not perform its duty to convene the general meeting, and the Supervisory Committee may convene and preside over the meeting on its own initiative.

**Article 45** Shareholders who individually or collectively hold 10% or more of the shares of the Company shall have the right to request the Board of Directors to convene an extraordinary general meeting and shall submit the request in writing to the Board of Directors. The Board of Directors and the Supervisory Committee shall, in accordance with the provisions of laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association, provide written feedback to the shareholders on whether it agrees or disagrees with the convening of the extraordinary general meeting within ten days after receiving the request.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice to convene the general meeting within five days after a resolution of the Board of Directors is made, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Board of Directors does not agree to convene an extraordinary general meeting or fails to provide feedback within ten days after receiving the request, shareholders who individually or collectively hold 10% or more of the shares of the Company shall have the right to propose to the Supervisory Committee that an extraordinary general meeting be convened and shall submit their request in writing to the Supervisory Committee.

If the Supervisory Committee agrees to convene an extraordinary general meeting, it shall issue a notice to convene the meeting within five days of receipt of the request, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Supervisory Committee fails to issue the notice of general meeting within the prescribed period, it shall be deemed that the Supervisory Committee would not summon and preside over the general meeting, and shareholders who individually or collectively hold 10% or more of the shares of the Company for 90 or more consecutive days may convene and preside over the meeting on their own initiative. The total shareholding percentage of the shareholders convening the general meeting shall not be less than 10% prior to the announcement of the poll results of the general meeting.

Where laws, administrative regulations, rules or relevant rules of the securities regulatory authorities in the place where the shares of the Company are listed otherwise provide, such provisions shall prevail.

**Article 46** Independent non-executive directors shall have the right to propose the convening of an extraordinary general meeting to the Board of Directors. For such a proposal, the Board of Directors shall, in accordance with laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of the extraordinary general meeting within 10 days after receiving the proposal.

If the Board of Directors agrees the convening of the extraordinary general meeting, it shall issue a meeting notice within 5 days after passing the relevant resolution. If the Board of Directors disagrees the convening of the extraordinary general meeting, it shall state the reasons and notify all shareholders through appropriate means.

**Article 47** If the Supervisory Committee or shareholders decide to convene a general meeting on their own initiative, they shall provide written notice to the Board of Directors.

Prior to the conclusion of the general meeting, the shareholding percentage of the convening shareholders shall not be lower than 10%.

When issuing the notice of the general meeting and announcing the resolutions of the general meeting, the Supervisory Committee or convening shareholders shall submit relevant supporting documents (if required) to the securities regulatory authorities at the Company's place of registration and the stock exchange of the place where the shares of the Company are listed, in compliance with applicable regulations.

**Article 48** For general meetings convened by the Supervisory Committee or shareholders on their own initiative, the Board of Directors and the secretary to the Board of Directors shall cooperate. The Board of Directors shall provide the register of members as at the record date.

**Article 49** All necessary expenses for general meetings convened by the Supervisory Committee or shareholders on their own initiative shall be borne by the Company.

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

**Article 50** The content of a proposal shall fall within the scope of the powers and functions of the general meeting, have a clear topic and specific matters for resolution, and comply with laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association.

**Article 51** When the Company convenes a general meeting, the Board of Directors, the Supervisory Committee, or shareholder(s) individually or collectively holding 1% or more of the Company's shares may submit proposals to the Company.

Shareholder(s) individually or collectively holding 1% or more of the Company's shares may submit interim proposals in writing to the convener 10 days before the general meeting. The convener shall issue a supplementary notice of the general meeting within 2 days after receiving such proposals, specifying the content of the interim proposals and submitting such interim proposals to the general meeting for consideration. However, interim proposals violating laws, administrative regulations, or the Articles of Association, or beyond the scope of powers and functions of the general meeting, shall be excluded.

Except as provided in the preceding paragraph, after issuing the notice of the general meeting, the convener shall not modify the proposals listed in the notice of the general meeting or add new proposals.

Proposals not included in the notice of the general meeting or not in compliance with laws, regulations or the Articles of Association shall not be voted on and no resolution shall be passed thereon at the general meeting.

**Article 52** The convener shall issue a written notice to shareholders at least 21 days before the date fixed for holding an annual general meeting, and a written notice to shareholders at least 15 days before the date fixed for holding an extraordinary general meeting.



Where laws, regulations, and the securities regulatory authorities or stock exchange of the place where the shares of the Company are listed provide otherwise, such provisions shall prevail. If the general meeting is required to be postponed under the securities regulatory rules of the place where the shares of the Company are listed due to the publication of a supplementary notice of the general meeting, the meeting shall be postponed in accordance with the securities regulatory rules of the place where the shares of the Company are listed.

For the purpose of calculating the notice period, the date of the meeting shall be excluded. Where laws, regulations, or the securities regulatory authorities of the place where the shares of the Company are listed provide otherwise, such provisions shall prevail.

**Article 53** The notice of a general meeting shall include the following:

- (i) the time, venue, and duration of the meeting;
- (ii) the means through which the meeting will be held;
- (iii) the matters and proposals to be submitted for consideration at the meeting;
- (iv) if any director, supervisor, general manager, or other senior management has a material interest in the matters to be discussed, the nature and extent of such interest shall be disclosed. If the impact of the matters to be discussed on such director, supervisor, general manager, and other senior management as shareholders is different from the impact on other shareholders of the same class, such differences shall be explained;
- (v) meeting materials necessary for shareholder voting;
- (vi) a clear statement indicating: all shareholders are entitled to attend the general meeting and may appoint proxies in writing to attend and vote, and the matters, authority, and duration of the proxy shall be specified; a proxy need not be a shareholder of the Company;
- (vii) the time and address for delivering the proxy forms for the meeting;
- (viii) the name and telephone number of the standing contact person for meeting affairs;
- (ix) the time and procedures for voting online or through other means;
- (x) the record date for shareholders' entitlement to attend the general meeting;
- (xi) other content required by laws, regulations, normative legal documents, the Hong Kong Listing Rules, and other securities regulatory rules of the place where the Shares of the Company are listed.

The notice and supplementary notice of the general meeting shall fully and completely disclose all specific content of all proposals, as well as all information or explanations necessary for shareholders to make reasonable judgments on the matters proposed to be discussed. If independent directors' opinions on the matters proposed to be discussed are required, the opinions and reasons provided by the independent directors shall be disclosed simultaneously when issuing the notice or supplementary notice of the general meeting.

For voting online or through other means at the general meeting, the commencement time shall not be earlier than 3:00 p.m. on the day immediately before the on-site general meeting and shall not be later than 9:30 a.m. on the day of the on-site general meeting, and the closing time shall not be earlier than 3:00 p.m. on the day the on-site general meeting concludes.

The interval between the record date and the meeting date shall not exceed 7 working days. Once confirmed, the record date shall not be changed.

**Article 54** If a general meeting proposes to discuss the elections of directors and supervisors, the notice of the meeting shall fully disclose the detailed information of the candidates for directors and supervisors, including at least the following:

- (i) educational background, work experience, concurrent positions, and other personal information;
- (ii) whether they are related (connected) with the Company or its controlling shareholders and actual controllers;
- (iii) disclosure of the number of shares held in the Company;
- (iv) whether there is any circumstance prescribed in Article 178 of the Company Law;
- (v) whether they have been subject to penalties imposed by the CSRC and other relevant government authorities or disciplinary actions imposed by the stock exchange where the shares of the Company are listed;
- (vi) other content required by laws, regulations, normative legal documents, the Hong Kong Listing Rules, and other securities regulatory rules of the place where the shares of the Company are listed.

Each candidate for director or supervisor shall be proposed in a separate proposal.

**Article 55** After the notice of a general meeting is issued, without justifiable reasons, the general meeting shall not be postponed or cancelled, and the proposals included in the notice of the general meeting shall not be cancelled. Once postponement or cancellation occurs, the convener shall issue a notice to all shareholders and explain the reasons at least 2 working days before the originally scheduled meeting date. If the securities regulatory rules of the place where the shares of the Company are listed have special provisions on the procedures for postponing or cancelling a general meeting, such provisions shall prevail, provided that they are not in violation of the domestic regulatory requirements.

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

**Article 56** The Board of Directors and other conveners shall take necessary measures to ensure the normal order of the general meeting. For acts that disrupt the general meeting, provoke quarrels and cause trouble, and infringe upon the legitimate rights and interests of shareholders, they shall take measures to stop and promptly report them to relevant authorities for investigation and handling.



**Article 57** A general meeting shall have a venue and shall be held as an on-site meeting. All shareholders whose names appear on the register of members on the record date or their proxies are entitled to attend the general meeting and exercise voting rights in accordance with laws, regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association, unless certain shareholders are required to abstain from voting on particular matters as required by the Hong Kong Listing Rules.

The shares held by the Company do not carry any voting rights, and shall not be counted towards the total number of voting shares represented by shareholders attending a general meeting.

The Company's majority-owned subsidiaries shall not acquire shares of the Company. If a majority-owned subsidiary of the Company holds shares of the Company due to company merger, exercise of pledge rights, etc., it shall not exercise the voting rights carried by the shares held and shall dispose of the relevant shares of the Company in a timely manner. Before the elimination of the aforementioned circumstances, such subsidiary shall not exercise the voting rights carried by the shares held, and such shares shall not be counted towards the total number of voting shares represented by shareholders present at the general meeting.

Shareholders may attend the general meeting in person or by proxy (who need not be a shareholder of the Company) to attend and vote on their behalf at the meeting. Shareholders who appoint proxies to attend the general meeting shall specify the matters, authority, and duration of the proxy. If the shareholder is a recognized clearing house (or its nominee) as defined in the relevant ordinances enacted in Hong Kong from time to time, such shareholder may authorize its corporate representative or one or more persons as it deems appropriate to act its proxy at any general meeting.

**Article 58** An individual shareholder who attends the meeting in person shall produce his/her identity card or other valid document or proof evidencing his/her identity, and proof of shareholding; a proxy appointed to attend the meeting on behalf of others shall produce his/her own valid identity document, proxy form issued by the shareholder, and proof of shareholding.

If the shareholder is a recognized clearing house (or its nominee) as defined in the relevant ordinances enacted in Hong Kong from time to time, such shareholder may authorize one or more persons as it deems appropriate to act its representative at any general meeting or class meeting or creditors' meeting; however, if more than one person is so authorized, the authorization shall specify the number and class of shares in respect of which each person is so authorized. A person so authorized may exercise rights on behalf of the recognized clearing house (or its nominee) without producing proof of shareholding, notarized authorization, and/or further evidence to confirm his/her formal authorization as if such person were an individual shareholder of the Company, enjoying the same legal rights as other shareholders, including the right to speak and vote.

A corporate shareholder/partnership shareholder shall attend the meeting by its legal representative/executive partner or proxy(ies) appointed by the legal representative/executive partner, and if the corporate shareholder/partnership shareholder has appointed proxy(ies) to attend any meeting, it shall be deemed to have attended in person. A legal representative/executive partner attending the meeting shall produce his/her identity card, valid proof evidencing his/her qualification as legal representative, and corresponding proof of shareholding; a proxy appointed to attend the meeting shall produce his/her own identity card and a written power of attorney duly issued by the legal representative of the corporate shareholder (unless the shareholder is a recognized clearing house (or its nominee) as defined in the relevant ordinances enacted in Hong Kong from time to time or the securities regulatory rules of the place where the shares of the Company are listed, in which case the corporate shareholder/partnership shareholder may execute the proxy form through its duly authorized person) and corresponding proof of shareholding.

A non-corporate organization shareholder shall attend the meeting by the principal officer (where the non-corporate organization shareholder is a partnership, if its executive partner is a natural person, the executive partner shall be the principal officer; if its executive partner is a corporation or non-corporate organization, the representative appointed by the executive partner shall be the principal officer, and the same applies hereinafter) or the proxy appointed by the principal officer. Where the principal officer attends the meeting, he/she shall produce his/her own identity card, valid proof evidencing his/her capacity as the principal officer and the corresponding proof of shareholding. Where a proxy is appointed to attend the meeting, the proxy shall produce his/her own identity card, the original of the written proxy form issued by the principal officer of the non-corporate organization shareholder according to law (affixed with common seal of the non-corporate organization shareholder) and the corresponding proof of shareholding.

**Article 59** Any shareholder entitled to attend and vote at the general meeting shall be entitled to appoint one or more proxies (who may or may not be a shareholder of the Company) to attend and vote on his/her behalf. A proxy form issued by a shareholder to appoint others to attend a general meeting shall contain the following:

- (i) name of the proxy and number of shares represented by the proxy;
- (ii) whether the proxy has voting rights (including voting rights in respect of any interim proposals that may be added to the agenda of the general meeting), and specific voting instructions if voting rights are granted;
- (iii) instructions to vote for, against, or abstain from voting on each proposal listed in the agenda of the general meeting;
- (iv) date of issuance and validity period of the proxy form;
- (v) signature or seal of the appointing shareholder. For a corporate shareholder, the proxy form shall bear the corporate seal or be signed by a duly authorized representative; for a partnership shareholder, the proxy form shall bear the partnership seal and be sealed or signed by the executive partner.

**Article 60** The proxy form shall state whether the proxy may vote at his/her discretion if the shareholder provides no specific instructions.

**Article 61** If a proxy form is signed by a person authorized by the appointer, the power of attorney or other authorization documents under which the proxy form is signed shall be notarized. The notarized power of attorney or other authorization documents and the proxy form shall be deposited at the Company's office or other addresses specified in the meeting notice.

For corporate or unincorporated shareholders, attendance at the Company's general meeting shall be effected through their legal representative or a person authorized pursuant to a resolution of the board of directors or other decision-making body on their behalf.

If the shareholder is a recognized clearing house (or its nominee) as defined in the relevant ordinances enacted in Hong Kong from time to time, such shareholder may authorize one or more persons as it deems appropriate to act its representative at any general meeting or any creditors' meeting; however, if more than one person is so authorized, the authorization shall specify the number and class of shares in respect of which each person is so authorized. The authorization shall be signed by an authorized person of the recognized clearing house. A person so authorized may exercise rights on behalf of the recognized clearing house (or its nominee) without producing proof of shareholding, notarized authorization, and/or further evidence to confirm his/her formal authorization as if such person were an individual shareholder of the Company, enjoying the same legal rights as other shareholders, including the right to speak and vote.

The proxy form shall be deposited at the domicile of the Company or other addresses specified in the meeting notice at least 24 hours prior to the meeting at which the proxy is authorized to vote or 24 hours prior to the specified time of the vote. If a proxy form is signed by a person authorized by the appointer, the power of attorney or other authorization documents under which the proxy form is signed shall be notarized. The notarized power of attorney or other authorization documents shall, together with the proxy form, be deposited at the domicile of the Company or other addresses specified in the meeting notice.

For corporate shareholders, attendance at the Company's general meeting shall be effected through their legal representative or a person authorized pursuant to a resolution of the board of directors or other decision-making body on their behalf.

**Article 62** The attendance record of a general meeting shall be prepared by the Company. The attendance record shall contain, among other things, the name, identity card number, domicile address, the number of voting shares held or represented, and the appointer name of each attendee.

**Article 63** The convener and the lawyer engaged by the Company (if applicable) shall verify the legality of entitlement of the shareholders according to the register of members provided by the securities depository and clearing institution, and register the name of each shareholder and the number of voting shares held. The meeting registration shall be closed before the chairman of the meeting announces the number of shareholders and proxies present at the meeting and the total number of voting shares they hold.

**Article 64** When a general meeting is held, all directors, supervisors, and the secretary to Board of Directors of the Company shall attend the meeting, and the general manager and other senior management shall attend the meeting as non-voting participants. Subject to the securities regulatory rules of the place where the shares of the Company are listed, the aforementioned persons may attend the meeting or attend the meeting as non-voting participants via the Internet, video, telephone, or other equivalent means.

**Article 65** The general meeting shall be presided over by the chairman of the Board of Directors. If the chairman of the Board of Directors is unable or fails to perform his/her duties, the meeting shall be presided over by a director jointly elected by more than half of the directors.

A general meeting convened by the Supervisory Committee on its own initiative shall be presided over by the chairman of the Supervisory Committee. Where the chairman of the Supervisory Committee is unable or fails to perform his/her duties, the meeting shall be presided over by a supervisor jointly elected by more than half of the supervisors.

A general meeting convened by shareholders on their own initiative shall be presided over by a representative elected by the convener(s).

When a general meeting is held, if the chairman of the meeting violates the rules of procedure, thus making it impossible for the general meeting to continue, with the consent of more than half of the shareholders with voting rights present at the on-site meeting, the general meeting may elect a person to serve as the chairman of the meeting and continue the meeting.

**Article 66** The Company shall formulate rules of procedure for the general meeting to specify in detail the convening and voting procedures of the general meeting, including notice, registration, deliberation of proposals, voting, vote counting, announcement of voting results, formation of meeting resolutions, meeting minutes and the signing thereof, announcements, etc., as well as the principles of authorization of the general meeting to the Board of Directors, and the content of authorization shall be clear and specific. Unless otherwise stipulated by laws, regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association, the general meeting shall not delegate its legal powers and functions to the Board of Directors. The rules of procedure for the general meeting shall be annexed to the Articles of Association and shall be prepared by the Board of Directors and approved by the general meeting.

**Article 67** Directors, supervisors, and senior management shall provide explanations and statements on the queries and suggestions put forward by shareholders at the general meeting, except for matters involving the Company's trade secrets that cannot be disclosed at the general meeting.

**Article 68** The chairman of the meeting shall announce the number of shareholders and proxies present at the on-site meeting and the total number of voting shares held by them before voting, and the number of shareholders and proxies present at the on-site meeting and the total number of voting shares held by them shall be subject to the attendance record of the meeting.

**Article 69** Minutes shall be kept for a general meeting by the secretary to Board of Directors. The meeting minutes shall contain the following:

- (i) the time, venue, agenda, and name of the convener of the meeting;
- (ii) the names of the chairman of the meeting and the directors, supervisors, general manager, and other senior management attending the meeting or attending the meeting as non-voting participants;
- (iii) the number of shareholders and proxies present at the meeting, the total number of voting shares held by them, and the proportion of the total number of shares of the Company;

- (iv) the deliberation process, key points of speeches, and voting results of each proposal;
- (v) the queries or suggestions of the shareholders and the corresponding replies or explanations;
- (vi) the names of the teller, scrutineer, and the lawyers engaged by the Company (if applicable);
- (vii) other content required by the Articles of Association and laws, regulations, normative legal documents, the Hong Kong Listing Rules, and other securities regulatory rules of the place where the shares of the Company are listed and that should be included in the meeting minutes.

**Article 70** The convener shall ensure that the content of the meeting minutes is true, accurate, and complete. The directors, supervisors, secretary to the Board of Directors, convener or its representative, and chairman of the meeting present at the meeting shall sign the meeting minutes. The meeting minutes shall be kept together with the register of signatures of shareholders present at the on-site meeting, proxy forms, and other valid materials related to the voting, for a period of not less than 10 years.

**Article 71** The convener shall ensure that the general meeting proceeds continuously until a final resolution is formed. If the general meeting is suspended or unable to make a resolution due to force majeure or other special reasons, necessary measures shall be taken to resume the general meeting as soon as possible or directly terminate the general meeting, and announcements and/or reports shall be made in a timely manner in accordance with laws, administrative regulations, departmental rules, normative documents, or the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed (if required).

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

**Article 72** Resolutions at general meetings are divided into ordinary resolutions and special resolutions.

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

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

**Article 73** The following matters shall be adopted by an ordinary resolution of the general meeting:

- (i) work reports of the Board of Directors and the Supervisory Committee;
- (ii) the profit distribution plans and loss recovery plans prepared by the Board of Directors;
- (iii) the appointment and removal of members of the Board of Directors and the Supervisory Committee and their remuneration and payment method thereof;
- (iv) annual report of the Company;

- (v) matters other than those required to be adopted by special resolution pursuant to laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

**Article 74** The following matters shall be adopted by special resolution of the general meeting:

- (i) increase or reduction of the registered capital of the Company;
- (ii) division, merger, dissolution, change in corporate form and liquidation of the Company;
- (iii) amendments to the Articles of Association;
- (iv) purchase or sale of material assets or provision of guarantees to others by the Company with an amount exceeding 30% of the Company's latest total audited assets within one year;
- (v) share incentive schemes and employee stock ownership schemes;
- (vi) other matters that are required to be adopted by a special resolution as stipulated in laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association, and as determined by a general meeting via ordinary resolution having a material impact on the Company.

**Article 75** Shareholders (including proxies) shall exercise their voting rights in line with the amount of the shares with voting rights they represent, and each share shall carry one vote, unless the individual shareholders are required to abstain from voting on individual matters as required by the Hong Kong Listing Rules.

On a poll taken at a meeting, shareholders (including proxies) entitled to two or more votes need not cast all of their votes in favor of, or against.

If any shareholder is required to abstain from voting on any particular matter or restricted to voting only for or against any particular matter as required by the Hong Kong Listing Rules, the shareholder shall abstain from voting, and the votes cast by or on behalf of such shareholders in contravention of such requirements or restrictions shall not be counted.

When material issues affecting the interests of minority shareholders are considered at a general meeting, the votes of minority shareholders shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

The shares held by the Company do not carry any voting rights, and shall not be counted towards the total number of voting shares represented by shareholders attending a general meeting.

If a shareholder purchases shares with voting rights of the Company in violation of the provisions of Article 63(1) and (2) of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised and such shares shall not be counted towards the total number of voting shares represented by shareholders present at the general meeting for thirty-six months after the purchase.



**Article 76** When the general meeting considers matters relating to related party (connected) transactions, the related (connected) shareholders shall not participate in voting by ballot and the number of shares with voting rights represented by them shall not be counted towards the total number of valid votes. The resolutions of the general meeting shall fully disclose the votes by non-related (non-connected) shareholders (subject to the request of the Hong Kong Stock Exchange).

Before the general meeting considers matters relating to related party (connected) transactions, the Company shall determine the scope of related (connected) shareholders in accordance with relevant laws, regulations and the securities regulatory rules of the place where the shares of the Company are listed. Related (connected) shareholders or their proxies may attend the general meeting, and may clearly state their views to the other shareholders in accordance with the procedures of the meeting, but they shall abstain from voting by ballot.

Where shareholders at the general meeting vote on matters relating to related party (connected) transactions, related (connected) shareholders shall abstain from voting. If related (connected) shareholders fail to abstain from voting, other shareholders attending the meeting shall have the right to request them to abstain from voting. After related (connected) shareholders have abstained from voting, other shareholders shall vote according to their voting rights and pass the corresponding resolutions in accordance with the provisions of the Articles of Association. The chairman of the general meeting shall inform the related (connected) shareholders of the voting avoidance and voting procedures, which shall be recorded in the meeting minutes.

When the general meeting makes a resolution on related party (connected) transactions, it shall be passed by more than half or two-thirds or more of the voting rights held by the non-related (non-connected) shareholders present at the general meeting, depending on the difference between an ordinary resolution and a special resolution. Two representatives of non-related (non-connected) shareholders shall participate in the counting and scrutinizing of votes on related party (connected) transactions.

In order to be valid, the resolutions made at the general meeting on matters relating to connected transactions shall be passed by more than half of the votes cast by the non-connected shareholders attending the general meeting. However, in order to be valid, in the event of such connected transaction involving matters that need to be passed by special resolution as stipulated in the Articles of Association, the resolutions of the general meeting must be passed by two-thirds or more of the voting rights held by the non-connected shareholders attending the general meeting. Where the connected shareholders fail to disclose the connected relationship or abstain from voting in respect of the connected matters in accordance with the aforesaid procedures, all resolutions in respect of such connected matters shall be invalid and shall be voted again. Where an announcement is involved, the announcement of the resolution of the general meeting shall fully disclose the voting of the non-connected shareholders.

**Article 77** Unless in exceptional circumstances such as the Company is in a crisis, the Company will not enter into contracts with persons other than directors, managers and other senior management personnel to place the management of all or significant business of the Company under the responsibility of such persons unless approved by a special resolution at a general meeting.

**Article 78** The list of the candidates for directors and supervisors shall be put forward for voting at the general meeting by way of a proposal.

The manner and procedure for the nomination of directors and supervisors shall be:

- (i) Candidates for non-employee representative directors shall be nominated in the following ways:
  - 1. nominated by the Board of Directors of the Company;
  - 2. nominated by shareholders who individually or collectively hold 1% or more of the Company's shares carrying voting rights, but the number of candidates nominated shall not exceed the number of directors to be elected or changed.
- (ii) Candidates for non-employee representative supervisors shall be nominated in the following ways:
  - 1. nominated by the Supervisory Committee of the Company;
  - 2. nominated by shareholders who individually or collectively hold 1% or more of the Company's shares carrying voting rights, but the number of candidates nominated shall not exceed the number of supervisors to be elected or changed.
- (iii) The nominator shall submit the resume and basic information of the candidate to the secretary to the Board of Directors of the Company in writing 10 days before the convening of the general meeting. The candidate for directors shall make a written commitment (by any means of notice) prior to convening the general meeting, agreeing to accept the nomination, undertaking that the information disclosed is true and complete, and guaranteeing that he/she will earnestly perform his/her duties as a director after being elected. In case of nomination of directors, the Board of Directors shall be responsible for preparing the proposal and submitting it to the general meeting; in case of nomination of supervisors, the Supervisory Committee shall be responsible for preparing the proposal and submitting it to the general meeting.
- (iv) The employee representative supervisors shall be elected by the employee representative assembly, the employee congress or by other democratic means.

**Article 79** The general meeting shall vote on all proposals separately. Where there are different proposals on the same matter, the voting shall be conducted in chronological order of submission of the proposals. Unless the general meeting is suspended or fails to make a resolution due to force majeure or other special reasons, the general meeting shall neither shelve nor refuse to vote on the proposal.

**Article 80** The proposal will not be amended when it is considered at the general meeting, otherwise the change in question shall be considered as a new proposal and cannot be voted on at the general meeting for the time being.

**Article 81** Only one of the on-site or other voting methods can be selected for the same voting right. In the event of duplicate votes on the same voting right, the result of the first vote shall prevail.

**Article 82** The general meeting shall adopt a registered voting system.



**Article 83** Before voting on a proposal at a general meeting, two representatives of shareholders shall be selected to take part in the counting and scrutinizing of the votes. If a shareholder is interested in the matter under consideration, the relevant shareholder and his/her proxy shall not participate in the counting and scrutinizing of the votes.

When a proposal is voted on at a general meeting, the lawyer (if required) and the shareholders' representative together with the supervisors' representative shall be responsible for counting and scrutinizing the votes, and the results of the vote shall be announced on site, and the results of the vote on the resolution shall be recorded in the minutes of the meeting. In the event that a shareholder is interested in the resolution to be considered, the relevant shareholder and his/her proxy shall not participate in counting and scrutinizing of the votes.

An on-site general meeting shall not be concluded earlier than the one held via the Internet or through other means. The chairman of the general meeting shall announce the voting details and poll results on each proposal, and whether a proposed resolution has been passed based on such results.

Before the formal announcement of voting results, the Company, vote counter, vote scrutineer, substantial shareholders and other related parties involved shall be under a confidentiality obligation for the details of the voting.

**Article 84** Shareholders present at a general meeting shall express one of the following opinions on a proposal submitted for voting: for, against or abstention, save for the circumstance under which the securities registration and clearing institution, acting as the nominal holder of shares under the Mainland-Hong Kong Stock Connect, makes a declaration according to the intentions of the de facto holders (if applicable).

Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as "abstentions".

Where any shareholder is required to abstain from voting on any particular resolution or restricted to voting only for or against any particular resolution as required by the Hong Kong Listing Rules, any votes cast by or on behalf of such shareholder in violation of such requirement or restriction shall not be counted.

**Article 85** If the chairman of the meeting has any doubt as to the result of any resolution put to vote, he/she may have the votes counted. If the chairman of the meeting has not counted the votes, any attending shareholder or proxy thereof who objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the voting result, and the chairman of the meeting shall have the votes counted immediately.

**Article 86** The resolution of the general meeting shall be announced in a timely manner in accordance with the relevant laws, administrative regulations and the securities regulatory rules of the place where the shares of the Company are listed. The announcement shall specify the number of shareholders and proxies present at the meeting, the total number of shares carrying voting rights held by them and their proportion in the total number of shares carrying voting rights of the Company, the voting means, the voting result of each proposal and the details of each resolution passed.

Where a proposal has not been passed or the resolutions of the preceding general meeting have been changed at the current general meeting, special mention shall be made in the announcement of the resolutions of the general meeting in accordance with the relevant laws, administrative regulations and the securities regulatory rules of the place where the shares of the Company are listed.

**Article 87** Where proposals on the election of directors and supervisors are passed at the general meeting, the newly appointed directors and supervisors shall take office at the time specified in the resolutions of the general meeting. In respect of the election of the Board of Directors and the Supervisory Committee, the term of office of the directors and supervisors newly elected shall be the expiration date of the term of office of the previous directors and supervisors.

**Article 88** If a proposal for cash dividends, bonus shares, or conversion of capital reserve into share capital is approved at a general meeting, the Company shall implement the specific plan therefor within two months after the conclusion of the meeting. If the requirements of laws, regulations, or the securities regulatory rules of the place where the shares of the Company are listed prevent such implementation within two months, the implementation timeline may be adjusted in accordance with such requirements and actual circumstances.

## **CHAPTER V BOARD OF DIRECTORS**

### **Section 1 Directors**

**Article 89** Directors of the Company shall be natural persons. A person may not serve as a director of the Company in case of any of the following circumstances:

- (i) a person who has no capacity for civil conduct or has limited capacity for civil conduct;
- (ii) a person who has been sentenced to criminal punishment for corruption, bribery, encroachment on property, misappropriation of property or sabotage of the order of the socialist market economy, and less than five years have elapsed since the completion of the sentence, or has been deprived of his/her political rights as a result of a criminal conviction and five years have not elapsed since the date on which execution of the sentence was completed, or has been given a probation, and two years have not yet elapsed from the date on which the probationary period has expired;
- (iii) a person who has served as a director, factory chief, or manager of an insolvent and liquidated company or enterprise and is held personally liable for such bankruptcy, and three years have not elapsed since the date when the insolvency and liquidation of the company or enterprise is completed;
- (iv) a person who has served as the legal representative of a company or enterprise whose business license has been revoked or which was ordered to close down due to any violation of law, and is held personally liable for the revocation or closure, and three years have not elapsed since the date when the revocation or closure occurs;
- (v) a person who is listed by the people's court as a judgment defaulter because a relatively large amount of debt he/she bears is not paid off when it is due;

- (vi) a person who has been prohibited from entering the securities market by the CSRC or the stock exchange where the shares of the Company are listed or other regulatory authorities, and the time limit has not expired;
- (vii) other content stipulated by laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules, other regulatory rules of the place where the shares of the Company are listed or the requirements of the relevant regulatory authorities.

Where any director is elected or appointed in contravention of the provisions prescribed by this article, such election, appointment or employment shall be void and null. Where any director falls under any of the aforesaid circumstances during his/her term of office, the Company shall remove him/her from office.

**Article 90** Directors are elected or replaced at a general meeting and may be removed from office by an ordinary resolution at the general meeting before the expiration of the term of office of any director (including an executive director), provided that such removal shall be without prejudice to any claim for damages that such director may have under any contract. A director shall hold office for a term of three years and shall be eligible for re-election upon expiration of his/her term of office. A director may not be dismissed at the general meeting without any cause before the expiration of his/her term of office. The Company may remove any director from office before the expiration of his/her term of office by way of an ordinary resolution at the general meeting, subject to compliance with the provisions of relevant laws and administrative regulations.

The term of office of a director shall commence from the date of taking the position until the expiration of the term of office of the current session of the Board of Directors. Where a re-election fails to be carried out in a timely manner upon the expiration of the term of office of a director, such director shall continue to perform his/her duties as a director in accordance with laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association until the newly elected director assumes the office.

Any person appointed by the Board of Directors as a director to fill a casual vacancy on the Board of Directors or as an addition to the Board of Directors shall hold office only until the first annual general meeting after appointment and shall then be eligible for re-election.

A director who resigns shall submit a written notice to the Company, and the resignation shall become effective on the date the Company receives the notice. However, in the circumstances described in the preceding paragraph, the director shall continue to perform his/her duties.

A director may be concurrently served by a manager or other senior management, but the total number of directors concurrently serving as managers or other senior management and employee representative directors shall not exceed one-half of the total number of directors of the Company.

**Article 91** Directors shall comply with laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association and shall bear the following duties of loyalty:

- (i) not to abuse his/her position to accept bribes or other illegal income or misappropriate the properties of the Company;
- (ii) not to misappropriate the funds of the Company;
- (iii) not to set up accounts in his/her own name or in the name of any other person for the purpose of depositing any of the assets or funds of the Company;
- (iv) not to lend funds of the Company to any other person or use the property of the Company to provide guarantee for any other person without the consent of the general meeting or the Board in contravention of the provisions of the Articles of Association;
- (v) not to enter into contracts or carry out transactions with the Company in contravention of the provisions of the Articles of Association or without the consent of the general meeting;
- (vi) not to abuse his/her position to seize business opportunities for himself or for other persons which shall otherwise belong to the Company, and not to operate a business similar to the business of the Company for the benefit of themselves or others, without the consent of the general meeting;
- (vii) not to misappropriate commissions derived from transactions entered into by the Company;
- (viii) not to disclose confidential information of the Company without permission;
- (ix) not to abuse his/her related party (connected) relationships with the Company to jeopardize the interests of the Company;
- (x) other duties of loyalty as stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

The provisions of the preceding paragraph (v) shall apply to the entering of contracts or transactions with the Company by close family members of the directors, supervisors and senior management, enterprises directly or indirectly controlled by the directors, supervisors and senior management or their close family members, and related (connected) parties who have other related party (connected) relationships with the directors, supervisors and senior management.

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

**Article 92** Directors shall comply with laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association and shall fulfill the following duties of diligence:

- (i) to exercise the rights conferred by the Company in a prudent, careful and diligent manner to ensure the business operations of the Company comply with the state's laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed and various national economic policies, not going beyond the scope of business specified in the Company's business license;
- (ii) to treat all shareholders impartially;
- (iii) to keep informed of the business operations and management of the Company;
- (iv) to sign a written confirmation on the regular reports of the Company, and to ensure the information disclosed by the Company is true, accurate and complete;
- (v) to honestly provide the Supervisory Committee with relevant information, and not to interfere with the Supervisory Committee or supervisors in performing their duties and powers;
- (vi) to ensure that they have reserved sufficient time and energy for participating in the Company's affairs and cautiously judging the risks and gains arising from the resolutions proposed;
- (vii) to actively promote the regulated operation of the Company, timely rectify and report the irregularities of the Company and support the Company to fulfil its social responsibilities;
- (viii) to fulfill other duties of diligence stipulated by laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

**Article 93** A director who cannot attend the meetings of the Board of Directors in person twice consecutively nor appointed any other directors to attend on his/her behalf is deemed as failure in performing the duties, and shall be subject to replacement as recommended by the Board of Directors at the general meeting. Subject to the securities regulatory rules of the place where the shares of the Company are listed, directors who attend meetings of the Board of Directors online, by video, by telephone or in other ways with the same effect are also deemed to have attended in person.

**Article 94** Directors may request to resign before the expiration of their term of office. The director to resign shall submit to the Board of Directors a written report in relation to his/her resignation. The Board of Directors shall disclose the relevant information within 2 days.

The resignation of a director shall become effective upon submission of his/her resignation report to the Board of Directors, except in the following circumstances:

- (i) the resignation of a director will result in the number of members of the Board of Directors falling below the quorum;
- (ii) the resignation of an independent non-executive director will result in the proportion of independent non-executive directors in the Board of Directors or its special committees not complying with the provisions of laws and regulations or the Articles of Association, or there is a lack of accounting professionals in the independent non-executive directors.

The existing director shall continue to perform his/her duties as a director in accordance with laws, administrative regulations, departmental rules and the Articles of Association before the re-elected director takes office, except in the case of a director who intends to resign, there are circumstances that preclude him/her from being nominated for election as a director of the Company. In the aforementioned circumstances, the resignation report shall not take effect until the successor fills the vacancy created by such director's resignation. Before the resignation report takes effect, the director who intends to resign shall continue to perform his/her duties as a director. In such cases, the Company shall complete the supplementary election of directors within two months.

Other than the circumstances referred to in the preceding paragraph, the resignation of a director shall become effective upon submission of his/her resignation report to the Board of Directors.

**Article 95** When a director's resignation takes effect or his/her term of service expires, the director shall complete all transfer procedures with the Board of Directors. His/her duties of loyalty towards the Company and the shareholders do not necessarily cease after the end of his/her term of service, and his/her duties of confidentiality in respect of trade secrets of the Company survives the termination of his/her term of office until such trade secrets become public known. The duration of other obligations is determined based on factors such as the length of time since the departure and the reason for the departure.

**Article 96** No directors shall act, in their personal capacity, on behalf of the Company or the Board of Directors beyond provisions of the Articles of Association or without legitimate authorization by the Board of Directors. A director shall, when acting in his/her personal capacity, state his/her standing and identity in advance whenever a third party may reasonably believe that the said director is acting on behalf of the Company or the Board of Directors.

**Article 97** A director who violates any laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or the Articles of Association during the course of performing his/her duties shall be liable for compensation to any loss so caused to the Company.

**Article 98** The Company shall establish an independent director system, which is approved at the general meeting. Independent non-executive directors shall be independent from the Company and its major shareholders. An independent non-executive director shall not hold any position in the Company other than that of an independent non-executive director.



The matters including conditions of appointment, nomination and election procedures, and powers and functions of the independent non-executive directors are implemented in accordance with the relevant provisions of laws, regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed.

The number of independent non-executive directors shall not be less than three and shall represent one-third or more of the total number of directors of the Board of Directors, and at least one of them must possess appropriate professional qualifications or appropriate accounting or related financial management expertise as required by the Hong Kong Listing Rules. All independent non-executive directors must possess the independence required by the Hong Kong Listing Rules. Independent non-executive directors should have sufficient business or professional experience to perform their duties competently and to ensure that the interests of all shareholders are adequately represented. At least one independent non-executive director must be ordinarily resident in Hong Kong.

In the event of any conflict between shareholders or directors of the Company, which has a major impact on the operation and management of the Company, independent non-executive directors shall perform their duties proactively to protect the overall interests of the listed company.

## **Section 2 Board of Directors**

**Article 99** The Company shall have a Board of Directors, which shall be accountable to the general meeting. The Board of Directors shall consist of 9 directors including 3 independent non-executive directors, with 1 chairman. The directors shall be elected or replaced by the general meeting.

The Board of Directors may have employee representatives. Where the Company has over 300 employees, except where the Company shall have the Supervisory Committee and representatives employees, the Board of Directors shall have the employee representatives. The employee representatives of the Board of Directors shall be directly elected by the employees of the Company through the employee congress, employee representative assembly, trade union or by other forms of democratic election.

**Article 100** The Board of Directors shall exercise the following functions and powers:

- (i) to convene general meetings and report its works to the general meeting;
- (ii) to implement resolutions of the general meeting;
- (iii) to decide on the Company's business plan and investment project;
- (iv) to approve annual financial budget proposals and final accounts proposals for the Company;
- (v) to formulate the profit distribution plans and loss recovery plans of the Company;
- (vi) to formulate the plan for any increase or reduction in the registered capital, issue of bonds or other bonds and the listing of the Company;

- (vii) to formulate the plans for major acquisitions of the Company, acquisition of the Company's shares or mergers, division, dissolutions and changes in corporate form of the Company;
- (viii) to decide on matters such as external investment, entrusted wealth management, acquisition and sale of assets, pledge of assets, external guarantee and related party (connected) transactions of the Company within the scope of authorization as stipulated by laws, regulations and the Articles of Association or within the scope of authorization of the general meeting;
- (ix) to decide on the establishment of the internal management organization of the Company;
- (x) to decide on the appointment or dismissal of the manager and the secretary to the Board of Directors of the Company; and to decide on the matters of appointment or dismissal of senior management such as the deputy manager, the chief financial officer, and to decide on the remuneration, rewards and punishments of them upon nomination by the manager;
- (xi) to formulate the basic management system of the Company;
- (xii) to formulate the amendments to the Articles of Association;
- (xiii) to manage corporate information disclosure matters;
- (xiv) to submit to the general meeting a request for the engagement or replacement of the accounting firm that provides audit service to the Company;
- (xv) to receive reports on the work of the Company's manager and examine the work of the manager;
- (xvi) such other functions and powers granted by laws, administrative regulations, departmental rules and regulations, the securities regulatory rules of the place where the shares of the Company are listed, the Articles of Association or the general meeting.

Matters exceeding the scope of authority delegated by the general meeting shall be submitted to the general meeting for consideration.

**Article 100** The Board of Directors of the Company shall, in accordance with the relevant laws, administrative regulations and the securities regulatory rules of the place where the shares of the Company are listed, make a statement to the general meeting regarding the non-standard audit opinion issued by the certified public accountant on the Company's financial report.

**Article 101** The Board of Directors shall formulate the rules of procedure for the Board of Directors to ensure that the Board of Directors implements the resolutions of the general meeting, so as to improve efficiency and to ensure scientific decision-making.

**Article 102** The rules of procedure for the Board of Directors shall be annexed to the Articles of Association and shall be prepared by the Board of Directors and approved by the general meeting.



**Article 103** Transactions (excluding related party (connected) transactions, financial assistance, provision of guarantee, or transactions of the Company without involving any payment of consideration or attaching any obligations such as receiving monetary assets as gift and debt relief) of the Company meeting any of the following standards based on the definition of transactions under the Hong Kong Listing Rules and relevant calculations, shall be submitted to the Board of Directors for consideration and approval:

1. share transaction;
2. disclosable transaction;
3. major transactions;
4. very substantial disposals;
5. very substantial acquisitions;
6. reverse takeover.

“Transactions” as mentioned above in this article include the purchase or disposal of assets; external investment (including consigned wealth management, investment in subsidiaries, etc.); lease-in or lease-out of assets; asset and business management as consignor or consignee; donating or accepting donations of assets; external donations; creditor’s rights and debt reorganisation; conclusion of license agreements; transfer of research and development projects as transferor or transferee; the grant, acceptance, transfer, exercise, termination or waiver of rights (including the waiver of the first right of refusal and the right of first offer), etc. The aforesaid transactions exclude the following transactions relating to daily business operations of the Company: purchase of raw materials, fuels and power; receipt of services; sale of products and goods; provision of services; contracting of projects and other transactions relating to daily business operations. However, any transactions mentioned above that are involved in asset swap shall be included. Where the transactions specified in the preceding paragraph, transactions relating to daily business and the related party (connected) transactions of the Company meeting the disclosure standards stipulated in the Hong Kong Listing Rules shall be submitted to the Board of Directors for consideration and approval.

The amounts of transactions as mentioned in this article shall be calculated with reference to the relevant provisions in Chapter 14 of the Hong Kong Listing Rules.

The Board of Directors of the Company shall consider and approve the external guarantee other than those required to be considered and approved by the general meeting in accordance with Article 40 of the Articles of Association or as required by laws, regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed.

The matters that exceed the approval authority of the Board of Directors as stipulated in this article, as well as the matters that must be submitted to the general meeting for consideration in accordance with laws, regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed, shall be submitted by the Board of Directors to the general meeting for consideration and approval.

**Article 104** The Board of Directors shall have one chairman, who shall be elected by more than half of all directors. The Board of Directors shall not have a vice chairman.

**Article 105** The chairman of the Board of Directors shall exercise the following functions and powers:

- (i) to preside over general meetings, summoning and chairing meetings of the Board of Directors;
- (ii) to supervise and inspect the implementation of resolutions of the Board of Directors;
- (iii) to execute the Company's shares, corporate bonds and other negotiable securities;
- (iv) to sign major documents of Board of Directors;
- (v) to exercise the duties and powers of legal representative; and to sign the documents that shall be signed by the legal representative;
- (vi) to exercise special disposal rights for the company affairs in accordance with laws and the company interests in case of such force majeure events as extraordinary natural disasters, and report them to the Board of Directors and the general meeting thereafter;
- (vii) other functions and powers conferred by relevant laws, administrative regulations and rules as well as authorized by the Board of Directors.

**Article 106** If the chairman is unable to perform his/her duties or does not perform his/her duties, a director jointly elected by a majority of the directors shall perform the duties.

**Article 107** The Board of Directors shall meet at least four times a year (around once a quarter), such meeting shall be summoned by the chairman of the Board of Directors, with written notice to all directors 14 days prior to the meeting.

**Article 108** Shareholders representing at least one-tenth of the voting rights, more than half of independent non-executive directors, one-third or more of the directors or the Supervisory Committee may propose the convening of an extraordinary meeting of the Board of Directors. The chairman of the Board of Directors shall summon and chair a meeting of the Board of Directors within ten days from the receipt of the proposal.

**Article 109** The means and time limit of the notice of the regular meeting of the Board of Directors shall be as follows: the written notice shall be given 14 days prior to the meeting. Where the Board of Directors convenes an extraordinary meeting, it shall notify all directors and supervisors in writing 3 days prior to the meeting. The Board meeting may be convened immediately with the consent of all directors.

**Article 110** The notice of the Board meeting shall include the following:

- (i) date and venue of the meeting;
- (ii) duration of the meeting;
- (iii) subject matter and topics;
- (iv) date of the notice;
- (v) other content stipulated by laws, administrative regulations, departmental rules or normative legal documents, the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed.

Board meetings shall be convened on-site in principle. On the basis of fully safeguarding the rights of directors to be informed and to express their opinions, and with the consent of the convener and proposer, the meeting may also be convened and resolutions may be passed by voting through video, telephone, signing by the participating directors, e-mail, etc.

**Article 111** The Board meeting shall not be held unless more than half of the directors are present. A resolution of the Board of Directors must be passed by more than half of all directors. The resolution of the Board of Directors on the external guarantee of the Company must be approved by two-thirds or more of the directors present at the Board meeting, otherwise it must be submitted to the general meeting for approval. Without the approval of the Board of Directors or the general meeting, the Company shall not provide external guarantee.

The voting on resolutions of the Board of Directors shall be made on a one-person-one-vote basis.

**Article 112** Where the directors, supervisors, general manager and other senior management of the Company have important interests, whether directly or indirectly, in the contracts, transactions and arrangements entered into or planned to be entered into by the Company (other than contracts of employment between the Company and its directors, supervisors, general managers and other senior management), the nature and degree of their interest shall be disclosed to the Board of Directors as soon as possible, no matter whether or not the relevant matter would normally require the approval and consent of the Board of Directors.

Where a director or his/her associate (as defined in the Hong Kong Listing Rules as in force from time to time) has related party (connected) relationship or is interested in the matter or business to which the Board of Directors has resolved in a meeting, except as permitted by laws and regulations and securities regulatory rules of the place where the share of the Company are listed, (i) such director shall not exercise his/her voting rights in respect of such resolution and shall not exercise his/her voting rights on behalf of any other director; (ii) such director shall not be counted for the purpose of determining whether a quorum is present at such meeting of the Board of Directors. Such meeting of Board of Directors shall be held in the presence of a majority of the non-related (non-connected) directors and a resolution at such meeting of the Board of Directors shall be approved by more than half of the non-related (non-connected) directors; (iii) if the number of non-related (non-connected) directors present at such meeting of the Board of Directors is less than three, the matter shall be submitted to a general meeting for consideration.

The voting by the Board of Directors in respect of “connected transactions” under the Hong Kong Listing Rules shall comply with the relevant provisions of the Hong Kong Listing Rules.

**Article 113** The voting on resolution of the Board of Directors shall be by poll, a show of hands or by other means permitted by laws and regulations. Where any director requests for voting by poll, voting by poll shall be adopted.

Extraordinary meetings of the Board of Directors may be held and resolutions may be made by video conference, telephone, facsimile, e-mail or other means, and signed by the participating directors, provided that the full expression of the directors’ views is ensured.

**Article 114** Directors shall attend meetings of the Board of Directors in person; if a director is unable to attend for any reason, he/she may appoint in writing another director to attend on his/her behalf, and the power of attorney shall contain the name of the proxy, the matters to be represented, the scope of authority and the period of validity, and shall be signed or sealed by the principal. The director attending the meeting on other director’s behalf shall exercise the rights of a director within the scope of the authorization. Where a matter is involved in voting, the principal shall clearly express his/her consent, objection or abstention on each matter in the power of attorney. A director shall not make or accept an appointment without voting intention, discretionary appointment or appointment with indefinite scope of authorization. The responsibility of a director in connection with his/her voting on resolutions cannot be waived by attending the meeting by a proxy.

A director shall not accept appointment by more than two directors to attend one Board meeting on his/her behalf.

If a director cannot attend a Board meeting and fails to appoint a proxy to attend the meeting on his/her behalf, the director shall be deemed to have waived his/her voting right at that meeting.

**Article 115** The Board of Directors shall make minutes of the decisions made on the matters discussed at the meeting, and the directors present at the meeting, the secretary to the Board of Directors and the minutes taker shall sign on the minutes.

Minutes of meetings of the Board of Directors shall be kept as archives of the Company for a period of not less than 10 years.

**Article 116** Minutes of meetings of the Board of Directors shall include the following particulars:

- (i) date and venue of the meeting and the name of the convener;
- (ii) names of the directors present and the names of directors (proxies) entrusted by others to attend the meeting of Board of Directors;
- (iii) meeting agenda;
- (iv) key points of the directors’ speeches;
- (v) the manner of voting and the result of each resolution (the result of the vote shall indicate the number of votes cast in favour, against or abstentions);

- (vi) other content stipulated by laws, administrative regulations, departmental rules, normative legal documents, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed.

The directors shall be liable for the resolutions of the Board of Directors. If a resolution of the Board of Directors violates the law or the Articles of Association or a resolution of the general meeting and causes the Company to suffer serious losses, the directors who participated in the resolution shall be liable to the Company for compensation; however, if it is proved that they have expressed dissenting views at the time of voting and recorded in the minutes of the meeting, such directors may be exempted from liability.

### **Section 3 Special Committees under the Board of Directors**

**Article 117** The Board of Directors of the Company has established four special committees, namely the Audit Committee, the Nomination Committee, the Strategy Committee and the Remuneration and Appraisal Committee. The special committees are accountable to the Board of Directors and perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors, and their proposals shall be submitted to the Board for consideration and approval. The Board of Directors shall formulate the working rules for each of the special committees of the Board of Directors and regulate the operation of the special committees. All members of the special committees shall be directors with compositions as follows:

- (i) the Audit Committee shall consist of not less than three members, more than half of whom shall not hold any position other than a director of the Company, the chairman of it shall be an independent non-executive director, and its members shall not have any relationship with the Company that may affect their independent and objective judgment. All the members of the Audit Committee shall be non-executive directors, and at least one member is an independent non-executive director with appropriate professional qualifications or accounting or relevant financial management expertise recognized by the Hong Kong Listing Rules, and the convener is an accounting professional;
- (ii) the Nomination Committee shall have one chairman who shall be the chairman of the Board of Directors or an independent non-executive director, with more than half of the members being independent non-executive directors;
- (iii) the Strategy Committee shall have one chairman (convener) who shall be the chairman of the Board of Directors of the Company, with at least one independent non-executive director among the members;
- (iv) the Remuneration and Appraisal Committee shall have one chairman who shall be an independent non-executive director, with more than half of the members being independent non-executive directors.

The special committees may engage intermediary agencies to provide professional advice according to actual needs, and the relevant expenses shall be borne by the Company.

**Article 118** The main duties of the Audit Committee are: (i) to make recommendations regarding the appointment or removal of external auditors; (ii) to monitor the internal audit system of the Company and the implementation thereof; (iii) to take charge of the communications between the internal audit department and the external auditors; (iv) to review the financial information of the Company and its disclosure; (v) to review the internal control system of the Company; (vi) other duties stipulated in laws, regulations, normative documents, the securities regulatory rules of the place where the shares of the Company are listed, the Articles of Association and those required by the CSRC.

**Article 119** The main duties of the Nomination Committee are (i) to carry out research into and make recommendations on the criteria and procedures for the selection of directors and senior management; (ii) to extensively identify qualified candidates for directors and senior management; (iii) to review and make recommendations on the candidates for director and senior management; (iv) other duties stipulated in laws, regulations, normative documents, the securities regulatory rules of the place where the shares of the Company are listed, the Articles of Association and those required by the CSRC.

**Article 120** The main duties of the Strategic Committee are to carry out research into and make recommendations on the Company's long-term development strategies and major investment decisions.

**Article 121** The main duties of the Remuneration and Appraisal Committee are (i) to carry out research into the criteria for appraising directors and senior management, conduct appraisal and make recommendations; (ii) to consider and examine the remuneration policies and package for directors and senior management; (iii) other duties stipulated in laws, regulations, normative documents, the securities regulatory rules of the place where the shares of the Company are listed, the Articles of Association and those required by the CSRC.

**Article 122** Each special committee shall be accountable to the Board of Directors. The special committee shall not make any resolution in the name of the Board of Directors, but may exercise decision-making power on the authorized matters according to the authorization of the Board of Directors.

## **CHAPTER VI MANAGERS AND OTHER SENIOR MANAGEMENT**

**Article 123** The Company shall have a general manager, who shall be appointed or dismissed by the Board of Directors.

The Company shall have a number of deputy general managers, who shall be nominated by the general manager and appointed or dismissed by the Board of Directors.

The general manager, deputy general managers, the chief finance officer, the secretary to the Board of Directors and other senior management designated by the Board of Directors to manage matters of the Company are the senior management of the Company.

**Article 124** Article 89 of the Articles of Association concerning the circumstances in which a person may not serve as a director shall also apply to senior management.

The provisions of Article 91 of the Articles of Association concerning the duty of loyalty of directors and items (iv) to (viii) of Article 92 concerning the duty of diligence shall also apply to senior management.



**Article 125** A person who holds a position other than that of a director in the entities of the controlling shareholder or actual controller of the Company shall not act as a senior management of the Company.

Senior management of the Company shall receive their salaries only at the Company and shall not be paid by the controlling shareholder on behalf of the Company.

**Article 126** The term of office of managers shall be three years for each session, and the managers may be reappointed upon re-election.

**Article 127** The managers shall be accountable to the Board of Directors and exercise the following functions and powers:

- (i) to preside over the production and management works of the Company, organize the implementation of resolutions of the Board of Directors and report to the Board of Directors;
- (ii) to organize the implementation of the Company's annual business plan and investment projects;
- (iii) to formulate plans for the establishment of the Company's internal management organization;
- (iv) to formulate the basic management system of the Company;
- (v) to establish the specific regulations of the Company;
- (vi) to propose to the Board of Directors the appointment or dismissal of the deputy general manager and the chief financial officer of the Company;
- (vii) to decide on the appointment or dismissal of responsible officers other than those whose appointment or dismissal shall be decided by the Board of Directors;
- (viii) such other functions and powers as may be conferred by the Articles of Association or by the Board of Directors.

The general manager may be present at meetings of the Board of Directors as an observer, but has no voting rights at the meetings if he/she is not a director of the Company.

**Article 128** The general manager shall formulate the working rules for the general manager and submit to the Board of Directors for approval before implementation.

**Article 129** The working rules for the general manager shall include the following particulars:

- (i) the conditions and procedures for convening meetings of the general manager and the persons to attend such meetings;
- (ii) the specific responsibilities of each of the general manager and other senior management and their division of job duties;

- (iii) the authority of operation of the Company's funds and assets, the authority to enter into major contracts, and the reporting system to the Board of Directors and the Supervisory Committee;
- (iv) such other matters as the Board of Directors may deem necessary.

**Article 130** Senior management shall submit a written resignation report when they resign, and shall not circumvent the duties they are required to perform by resigning. Unless the transfer of duties has not completed and the relevant announcement has not been disclosed in respect of the resignation of the secretary to the Board of Directors, the resignation of senior management shall take effect from the time the resignation report is received by the Board of Directors.

In the aforesaid circumstances, the resignation report shall not take effect until the secretary to the Board of Directors has completed the transfer of duties and the relevant announcement has been disclosed. Before the resignation report takes effect, the secretary to the Board of Directors who intends to resign shall continue to perform his/her duties.

**Article 131** The Company shall have a secretary to the Board of Directors, who shall be responsible for the preparation of general meetings and meetings of the Board of Directors of the Company, the custody of documents and the management of the shareholders' information of the Company, and the handling of information disclosure matters.

The Board of Directors of the Company shall formulate the working rules for the secretary to the Board of Directors. The secretary to the Board of Directors shall comply with the relevant provisions of the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Associations.

**Article 132** Senior management shall strictly implement the resolutions of the Board of Directors and the general meeting, etc., and shall not, without authorization, amend, refuse to implement, or negligently implement such resolutions. Senior management shall be liable for any losses caused to the Company as a result of their breach of the provisions of laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association in the performance of their duties for the Company.

## **CHAPTER VII SUPERVISORY COMMITTEE**

### **Section 1 Supervisors**

**Article 133** Article 89 of the Articles of Association concerning the circumstances in which a person shall not serve as a director shall also apply to the supervisors.

Directors, managers and other senior management shall not concurrently serve as a supervisor. The spouses and direct relatives of the directors and senior management are not allowed to serve as supervisors of the Company during the tenure of the such Company's directors and senior management.

**Article 134** Supervisors should possess relevant professional knowledge or work experience and have the capability to effectively perform their duties. Supervisors should comply with laws, administrative regulations and the Articles of Association. Supervisors shall have a duty of loyalty to the Company by taking measures to avoid the conflict between their own interests and those of the Company, and not seeking any improper interests by taking advantage of their powers. Supervisors shall have a duty of diligence to the Company, and in performing their duties, they should exercise the reasonable care that a general manager should typically have for the best interests of the Company.

Supervisors shall not to use their authority to accept bribes or other illegal income and not to misappropriate the property of the Company.

If the supervisors do not report to the general meeting and obtain the consent of the general meeting, they shall not to use the convenience of their office to secure for themselves or others business opportunities that should have belonged to the Company and to carry on a business of the same kind as that of the Company for themselves or for others, unless the Company is unable to take advantage of the business opportunity according to laws, regulations or the Articles of Association.

**Article 135** The term of office of the supervisors shall be three years for each session. Supervisors are eligible for re-election upon expiry of their term of office.

**Article 136** If a supervisor's term of office expires without timely re-election, or if a supervisor resigns during his/her term of office resulting in the number of supervisors on the Supervisory Committee falling below the minimum number prescribed by laws, the original supervisor shall still perform his/her duties as a supervisor in accordance with laws, administrative regulations and the provisions of the Articles of Association until the re-elected supervisor assumes office.

**Article 137** Supervisors may be present at meetings of the Supervisory Committee as an observer and make queries or recommendations on matters to be resolved by the Board of Directors.

If supervisors find that directors, senior management and the Company have violated laws and regulations, departmental rules, business rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed, the Articles of Association or resolutions passed at general meeting, which have already caused or may cause significant losses to the Company, they should promptly report to the Board of Directors and the Supervisory Committee, requesting the Board of Directors and senior management to rectify.

Supervisors have the right to understand the Company's operating conditions. The Company should take measures to safeguard the right to information of the supervisors and provide necessary assistance for the supervisors to perform their duties normally. No one shall interfere or obstruct.

**Article 138** Supervisors shall not use their related party (connected) relationship to harm the interest of the Company and shall be liable to pay compensation if any damage is caused to the Company.

**Article 139** Supervisors who violate the provisions of laws, administrative regulations, departmental rules or the Articles of Association in the performance of their duties for the Company and cause damage to the Company shall be liable for compensation.

## **Section 2 Supervisory Committee**

**Article 140** The Company shall have a Supervisory Committee. The Supervisory Committee shall consist of 3 supervisors, at least one-third of whom shall be employee representatives. Such employee representative supervisors shall be elected by the employees of the Company through the employee representative assembly, employee congress or by other democratic means; the other supervisors shall be elected or replaced by the general meeting.

**Article 141** The Supervisory Committee shall have 1 chairman. The chairman of the Supervisory Committee shall be elected by more than half of all supervisors. The chairman of the Supervisory Committee shall convene and preside over the meeting of such committee; where the chairman of the Supervisory Committee is unable or fails to perform his/her duties, a supervisor jointly recommended by more than half of the supervisors shall convene and preside over the meeting of the such committee.

**Article 142** The Supervisory Committee shall understand the operation of the Company, inspect the financial information of the Company, supervise the legality and compliance of the directors and senior management in performing their duties, exercise other functions and powers stipulated in the Articles of Association, and safeguard the legitimate rights and interests of the Company and its shareholders. The Supervisory Committee may independently engage an intermediary institution to provide professional advice.

The Supervisory Committee shall perform the following functions and powers:

- (i) to review the periodic reports prepared by the Board of Director and to comment in writing;
- (ii) to inspect the financial status of the Company;
- (iii) to supervise the performance of duties by the directors and senior management, and propose to remove directors and senior management who have violated laws, administrative regulations, departmental rules, business rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed, the Articles of Association or resolutions of the general meeting;
- (iv) to require directors and senior management to correct their conducts that may harm the interest of the Company;
- (v) to supervise the implementation of the special committees under the Board of Director, and inspect whether the members of the special committees under the Board of Director perform their duties in accordance with the rules of procedure for the special committees under the Board of Director;
- (vi) to propose to hold an extraordinary general meeting, and convene and preside over the general meeting when the Board of Director is unable to fulfill its duty to convene and preside over the general meeting specified by the Company Law;
- (vii) to submit proposals to the general meeting;
- (viii) to take legal action against directors and senior management according to the Company Law;

- (ix) to conduct an investigation when finding irregularities in the operation of the Company. The professional organizations including accounting firms and law firms may be engaged when necessary, with the relevant costs to be borne by the Company;
- (x) other functions and powers specified in laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, the securities regulatory rules of the place where the shares of the Company are listed, or the Articles of Association.

**Article 143** The Supervisory Committee shall convene meeting at least once every six months. The supervisor may propose to convene an extraordinary meeting of the Supervisory Committee, and the chairman of the Supervisory Committee shall convene the meeting within 3 days after receiving the proposal.

The notice of the regular meetings and extraordinary meetings of the Supervisory Committee shall be sent to all supervisors 5 days and 3 days before convening the meetings, respectively.

A supervisor shall attend meetings of the Supervisory Committee in person. If a supervisor is unable to attend the meeting for any reason, he/she may appoint in writing another supervisor of the Supervisory Committee of the Company to attend the meeting and vote on his/her behalf. The power of attorney shall specify the name of the proxy, the matters entrusted, the authorization and the term of validity, and shall be signed or sealed by the principal. The supervisor who attends the meeting on behalf of another supervisor shall exercise the rights of the supervisor within the scope of authorization. A supervisor who fails to attend the meeting of the Supervisory Committee in person or by proxy shall be deemed to abstain from voting at the meeting.

Meetings of Supervisory Committee shall not be held unless over half of Supervisors are present.

The voting on resolutions of the Supervisory Committee shall be made on a one-person-one-vote basis. Resolutions made by the Supervisory Committee shall be approved by more than half of the members of the Supervisory Committee.

**Article 144** The Supervisory Committee shall formulate the rules of procedure for the Supervisory Committee which specifies method of discussion and voting procedure of the Supervisory Committee, to ensure the working efficiency and scientific decision-making of the Supervisory Committee.

The rules of procedure for the Supervisory Committee shall be annexed to the Article of Association and shall be prepared by the Supervisory Committee and approved by general meeting.

**Article 145** The Supervisory Committee shall record the decisions made on the issues discussed at the meeting in the minutes, which shall be signed by the supervisors present at the meeting.

Any supervisor shall have the right to have certain explanatory note entered into the minutes regarding his/her statements at the meeting. The minutes of the Supervisory Committee shall be saved in the archives of the Company for a period of at least 10 years.

**Article 146** The notice of the meeting of the Supervisory Committee shall include the following:

- (i) date, venue and duration of the meeting;
- (ii) subject matter and topics;
- (iii) date of the notice;
- (iv) other content stipulated by laws, administrative regulations, departmental rules, normative legal documents, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed.

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

### **Section 1 Financial Accounting System**

**Article 147** The Company shall establish its financial and accounting system pursuant to laws, administrative regulations and provisions of relevant authorities of China. The Company shall prepare a financial report at the end of each accounting year, and such financial statement shall be reviewed and verified by accounting firms according to laws.

**Article 148** The Company shall submit, disclose and/or deliver annual reports, interim reports and other documents to the shareholders in accordance with the securities regulatory rules of the place where the shares of the Company are listed.

The periodic reports for the Company's H shares include annual reports and interim reports. The Company shall disclose a preliminary announcement of annual results within three months after the end of each financial year, and shall prepare and disclose the annual report within four months after the end of each financial year and no later than 21 days prior to the annual general meeting.

The Company shall disclose a preliminary announcement of interim results within two months after the end of the first six months of each financial year and prepare and disclose the interim report within three months after the end of the first six months of each financial year.

The aforementioned annual reports and interim reports shall be prepared in accordance with the requirements of relevant laws, administrative regulations, the CSRC, the Hong Kong Listing Rules, and the stock exchange of the place where the shares of the Company are listed.

**Article 149** The Company shall not maintain separate accounting books beyond the statutory accounting books. The Company's assets shall not be held in accounts opened in the name of any individual.

**Article 150** When distributing after-tax profits, the Company shall allocate 10% of the profits to its statutory reserve. If the cumulative amount of the statutory reserve reaches 50% or more of the Company's registered capital, further allocation is not required.



If the statutory reserve of the Company is insufficient to cover the losses incurred in previous years, the Company shall use profits for the year to make up for such losses before making allocations to the statutory reserve in accordance with the preceding paragraph.

After making allocations to the statutory reserve from after-tax profits, the Company may, upon resolution of the general meeting, make allocations to the discretionary reserve from the after-tax profits.

The remaining after-tax profits, after covering losses and making allocations to reserves, shall be distributed to shareholders in proportion to their shareholdings.

If the general meeting distributes profits to shareholders before the Company covers losses or makes allocations to the statutory reserve in violation of the requirements of the preceding paragraph of this Article, shareholders shall return the profits distributed in violation of the preceding paragraph to the Company; for any losses caused to the Company, the shareholders and responsible directors, supervisors, and senior management shall be liable for compensation.

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

The Company shall appoint one or more receiving agents for H shareholders in Hong Kong. Such receiving agents shall receive and hold the dividends and other payments distributed by the Company in respect of H shares on behalf of the relevant H shareholders until disbursement to such H shareholders. Receiving agents appointed by the Company shall comply with applicable laws, regulations, and securities regulatory rules of the place where the Company's shares are listed. The receiving agent appointed by the Company for overseas listed foreign shareholders listed on the Hong Kong Stock Exchange shall be a trust company registered under the Hong Kong Trustee Ordinance.

**Article 151** The Company's reserves shall be used to cover losses, expand production and operations, or increase registered capital of the Company.

When using reserves to cover losses, the Company shall first utilize the discretionary reserve and the statutory reserve. If the reserves are insufficient to make up for losses, the capital reserve may be used as permitted by regulations.

When using the statutory reserve to increase registered capital, the retained amount in the reserve shall not be less than 25% of the registered capital prior to the increase.

**Article 152** If a proposal for cash dividends, bonus shares, or conversion of capital reserve into share capital is approved at a general meeting, the Company shall implement the specific plan therefor within two months after the conclusion of the meeting. If the requirements of laws, regulations, or the securities regulatory rules of the place where the shares of the Company are listed prevent such implementation within two months, the implementation timeline may be adjusted in accordance with such requirements and actual circumstances.

**Article 153** The Company may distribute dividends in cash, shares, or other methods permitted by law.

## **Section 2 Internal Audit**

**Article 154** The Company shall implement an internal audit system and appoint dedicated auditors to conduct internal audit and supervision on the financial activities and economic operations of the Company.

**Article 155** The Company's internal audit system and auditors' responsibilities shall be approved by the Board of Directors. The head of internal audit function shall be accountable to and report to the Board of Directors.

## **Section 3 Appointment of Accounting Firms**

**Article 156** The Company shall engage accounting firms which are in compliance with the requirements of the Securities Law, the Hong Kong Listing Rules, and other securities regulatory rules of the place where the shares of the Company are listed to provide financial statement audit, net assets verification, and other relevant consulting services. The engagement term shall be one year and may be renewed.

**Article 157** The appointment of an accounting firm must be decided by the general meeting, and the Board of Directors may not appoint an accounting firm prior to the decision of the general meeting. The appointment, dismissal, or removal of an accounting firm shall be decided by the general meeting by way of an ordinary resolution.

**Article 158** The Company shall warrant that it will provide the engaged accounting firm with truthful and complete accounting documents, accounting documents, financial reports, and other financial information, which the Company shall not withhold, conceal, or misrepresent.

**Article 159** Audit fees payable to the accounting firm shall be determined by the general meeting.

**Article 160** If the Company decides to terminate or not to renew the engagement of an accounting firm, it shall provide the accounting firm with 10 days' prior notice. When the general meeting votes on the termination of engagement of an accounting firm, the accounting firm shall be allowed to present its views.

If the accounting firm resigns, it shall disclose to the general meeting whether any improper circumstances exist on the Company's part.

## **CHAPTER IX NOTICES AND ANNOUNCEMENTS**

### **Section 1 Notices**

**Article 161** A notice of the Company shall be delivered by:

- (i) hand;
- (ii) post;
- (iii) written facsimile;
- (iv) facsimile, email or post;

- (v) public announcements;
- (vi) publication on the website designated by the Company and the website designated by the Hong Kong Stock Exchange, subject to the compliance with laws, administrative regulations and the securities regulatory rules of the place where the shares of the Company are listed;
- (vii) any other means approved by laws, administrative regulations, normative documents, the securities regulatory authorities of the place where the shares of the Company are listed or provided in the Articles of Association.

Subject to the relevant listing rules of the place where the shares of the Company are listed, with respect to the service and/or distribution of corporate communications to holders of the H Shares, the Company may electronically or at the Company's website or such website of the stock exchange where the shares of the Company are listed post such corporate communication so as to deliver such information to H holders of the Company, instead of such delivery by hand or post.

For notices issued by the Company to the holders of overseas listed foreign shares by way of announcement, the Company shall on the same day submit its electronic version available for real-time publication to the Hong Kong Stock Exchange through the e-submission system of the Hong Kong Stock Exchange for release on the website of the Hong Kong Stock Exchange in accordance with the local listing rules, or publish an announcement in newspapers (including the publication of an advertisement in newspapers) in accordance with the local listing rules. The listing rules of the stock exchange where the shares of the Company are listed provide otherwise, such provisions shall prevail.

If the listing rules in the place of listing require the Company to send, mail, dispatch, issue, publish or otherwise provide relevant documents of the Company in both English and Chinese versions, the Company may, to the extent permitted by applicable laws and regulations and in accordance with applicable laws and regulations, (if a shareholder has so indicated) only send him/her the English versions or Chinese versions of documents if the Company has made appropriate arrangements to ascertain whether its shareholders wish to only receive English versions or Chinese versions of documents.

**Article 162** Subject to the requirements of laws and regulations and the listing rules of the place where the shares of the Company are listed, the notice for convening general meetings shall be issued through public announcements on the Company's website and the website of the Hong Kong Stock Exchange, or through other notification methods stipulated in the Articles of Association.

**Article 163** The notice of the Company to convene a meeting of the Board of Directors shall be delivered to the directors by hand, mail, facsimile, e-mail or telephone.

**Article 164** The notice of the Company to convene a meeting of the Supervisory Committee shall be delivered to the supervisors by hand, mail, facsimile, e-mail or telephone.

**Article 165** Should the Company's notice be delivered by hand, the recipient shall affix their signature (or seal) on the reply slip upon delivery and the receipt date of the recipient shall be the date of service; for a notice given by post, the date of service shall be the second business day from the date of consignment to the post office; for a notice transmitted by written fax, the transmission date shall be the date of service, provided the fax is successfully sent to the recipient's designated fax number on file with the Company; for a notice sent by e-mail, the date on which the e-mail enters the recipient's specified electronic mailbox shall be the date of service. Where the Company issues a notice by public announcement, all relevant parties shall be deemed to have received such notice once the public announcement has been made.

**Article 166** Accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any parties entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.

## **Section 2 Announcements**

**Article 167** Unless otherwise stated, the announcement referred to in the Articles of Association shall mean, as to the announcements published to the holders of unlisted domestic shares or the announcements required to be published in the PRC according to the relevant requirements and the Articles of Association, an announcement published on any newspaper in the PRC as stipulated under the laws and administrative regulations of the PRC or designated by the securities regulatory authority of the State Council; for notices issued by the Company to the holders of overseas listed foreign shares by way of announcement, the Company shall on the same day submit its electronic version available for real-time publication to the Hong Kong Stock Exchange through the e-submission system of the Hong Kong Stock Exchange for release on the website of the Hong Kong Stock Exchange in accordance with the Hong Kong Listing Rules, or publish an announcement in newspapers (including the publication of an advertisement in newspapers) in accordance with the Hong Kong Listing Rules. The announcement shall at the same time also be published on the Company's website.

The Company may not disclose information through other public media before such information is disclosed through designated newspapers and websites and may not disclose information by way of press release or interview with reporters in lieu of the Company's announcement. The Board of Directors may change the designated newspapers for the Company's information disclosure, provided that it shall ensure that the designated newspapers for information disclosure comply with the relevant domestic and Hong Kong laws and regulations, as well as the qualifications and conditions stipulated by the securities regulatory authority of the State Council, the overseas regulatory authority and the Hong Kong Stock Exchange.

## **CHAPTER X MERGER, DIVISION, CAPITAL INCREASE CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION**

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

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

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

**Article 169** If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement. The parties to the merger shall prepare a balance sheet and an inventory of assets. The Company shall, within 10 days from the date of making a resolution on merger, notify the creditors, and shall make a public announcement on newspapers where the Company is registered or the National Enterprise Credit Information Publicity System within 30 days. The creditors may require the Company to repay its debts within 30 days after receiving the notice, or provide corresponding repayment guarantees within 45 days after the announcement if the creditors have not received the notice.

**Article 170** In case of a merger, any creditor's rights and debts of the merging parties shall be assumed by the surviving company or the new company.

**Article 171** In case of a division, the Company's assets shall be divided accordingly.

In case of a division, the Company shall prepare a balance sheet and an inventory of assets. After making a resolution on division, the Company shall notify its creditors within 10 days, and publish an announcement on newspapers where the Company is registered or the National Enterprise Credit Information Publicity System within 30 days.

**Article 172** For the debts of the Company prior to the division, the Company that survives thereafter shall bear the joint and several liabilities, unless otherwise specified in the written agreement which is concluded before the said division by the Company with its creditors on the settlement of the Company's debts.

**Article 173** In the event of a capital reduction of the Company, a balance sheet and an inventory of assets shall be prepared.

The Company shall notify its creditors within 10 days, and publish an announcement on newspapers where the Company is registered or the National Enterprise Credit Information Publicity System within 30 days after the resolution approving the reduction has been made. The creditors shall have the right to require the Company to repay its debts within 30 days after receiving the notice, or provide corresponding repayment guarantees within 45 days after the announcement if the creditors have not received the notice.

The reduced registered capital of the Company shall not be less than the statutory minimum.

**Article 174** The Company shall, in accordance with laws, handle the procedures for change registration with the company registration authority where a change in any registration items arises as a result of any merger or division. In the event of dissolution of the Company, the Company shall handle the procedures for registration of cancellation in accordance with laws. In the event of establishment of a new company, the Company shall handle the procedures for registration of establishment in accordance with laws.

Where the Company increases or reduces its registered capital, the Company shall handle the procedures for change registration with the company registration authority in accordance with laws.

## **Section 2   Dissolution and Liquidation**

**Article 175**   The Company is dissolved due to the following reasons:

- (i)   the term of its operation set out in the Articles of Association has expired or other events of dissolution specified in the Articles of Association have occurred;
- (ii)   the general meeting has resolved to dissolve the Company;
- (iii)   the Company is dissolved by reason of its merger or division;
- (iv)   the business license is revoked, or the business is ordered to close down or is revoked, in accordance with laws;
- (v)   where the Company encounters serious difficulties in its operation and management and its continuance would cause a significant loss to the interest of shareholders, and such difficulties cannot be resolved through other means, in which case shareholders who hold 10% or more of the voting rights of the Company may present a petition to the people's court for the dissolution of the Company.

The Company shall, within ten days upon occurrence of the causes for dissolution specified in the preceding paragraph, announce the causes for dissolution through the National Enterprise Credit Information Publicity System.

**Article 176**   The Company may continue in existence by amending the Articles of Association or upon a resolution of the general meeting under any of the circumstances prescribed in item (i) or (ii) of Article 175 of the Articles of Association and it has not distributed the assets to its shareholders.

Any amendment to the Articles of Association or resolution of the general meeting under the preceding paragraph shall be subject to the consent of shareholders with two-thirds or more of the voting rights present at the general meeting.

**Article 177**   Where the Company is to be dissolved pursuant to item (i), (ii), (iv) or (v) of Article 175 of the Articles of Association, it shall be liquidated. The directors, who are the liquidation obligors of the Company, shall form a liquidation committee to commence the liquidation process within 15 days from the date when the event of dissolution occurs.

The liquidation committee shall be composed of the directors, unless it is otherwise elected by the general meeting. The liquidation obligors shall be liable for compensation if they fail to fulfill their obligations of liquidation in a timely manner, and thus any loss is caused to the Company or the creditors. The Company fails to form a liquidation committee to liquidate the Company within the prescribed period of time or the liquidation committee fails to liquidate the Company, any interested party may petition the people's court to appoint the relevant persons to establish a liquidation committee and liquidate the Company.



**Article 178** The liquidation committee shall exercise the following functions and powers during the liquidation period:

- (i) to sort out the Company's assets and prepare a balance sheet and an inventory of assets, respectively;
- (ii) to notify the creditors and make announcements;
- (iii) to deal with and settle the outstanding business of the Company related to the liquidation;
- (iv) to pay off all outstanding taxes and taxes arising in the course of liquidation;
- (v) to settle claims and debts;
- (vi) to deal with the remaining assets of the Company after its debts have been paid off;
- (vii) to represent the Company in any civil procedures.

**Article 179** The liquidation committee shall notify creditors within 10 days after its establishment and shall publish an announcement on newspapers where the Company is registered or the National Enterprise Credit Information Publicity System within 60 days. A creditor shall lodge his/her claim with the liquidation committee within 30 days after receiving the notice or within 45 days after the date of announcement if he/she did not receive the notice.

When declaring their claims, the creditors shall explain the matters related to their claims and provide supporting materials. The liquidation committee shall register the claims.

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

**Article 180** Upon liquidation of the Company's properties and the preparation of the balance sheet and inventory of assets, the liquidation committee shall draw up a liquidation plan and submit it to the general meeting or the people's court for confirmation.

The remaining assets of the Company after payment of liquidation expenses, wages, social insurance expenses and statutory compensation of employees, outstanding taxes and the Company's debts shall be distributed to shareholders in proportion to their shareholdings.

During the liquidation period, the Company shall continue to exist but shall not carry out any business activities unrelated to the liquidation. The assets of the Company shall not be distributed to the shareholders before the settlements are made in accordance with the preceding paragraph.

**Article 181** The liquidation committee, having thoroughly examined the Company's assets and having prepared a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to pay its debts in full, it shall apply to the people's court for a declaration of insolvency in accordance with law.

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

**Article 182** Upon completion of the liquidation, the liquidation committee shall prepare a liquidation report to be submitted to the general meeting or the people's court for confirmation, and then submit it to the company registration authority applying for cancelation of the Company's registration.

**Article 183** The member of the liquidation committee performing their duties of liquidation are obliged to loyalty and diligence.

The member of the liquidation committee shall be prohibited from abusing their powers to accept bribes or other unlawful income and from misappropriating the Company's properties.

Any member of the liquidation committee who neglects to fulfill his/her liquidation duties, thus causing any loss to the Company shall be liable for compensation. A member of the liquidation committee is liable to indemnify its creditors in respect of any loss arising from his/her willful or material default.

**Article 184** Where the Company is declared bankruptcy according to laws, bankruptcy liquidation shall be conducted in accordance with relevant enterprise bankruptcy laws.

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

**Article 185** The Company shall amend the Articles of Association in any of the following circumstances:

- (i) after the amendment to the Company Law, any other relevant law, administrative regulation, departmental rules, normative documents and the Hong Kong Listing Rules, any provision of the Articles of Association is in conflict with the amended law, administrative regulation, departmental rules, normative documents and the Hong Kong Listing Rules;
- (ii) any change of the Company results in inconsistency with the relevant provisions of the Articles of Association;
- (iii) the general meeting decides to amend the Articles of Association.

**Article 186** Any amendment to the Articles of Association adopted by a resolution in a general meeting that shall be examined and approved by the competent authority must be submitted to the competent authority for approval. Where the amendment of the Articles of Association involves registration, it shall be necessary to carry out the lawfully prescribed procedures for registration change.

**Article 187** The Board of Directors shall amend the Articles of Association in accordance with the resolution of the general meeting on amendment to the Articles of Association and the examination and approval opinions from relevant competent authorities.

**Article 188** Amendments to the Articles of Association are information required to be disclosed by laws, administrative regulation, departmental rules, normative documents and the Hong Kong Listing Rules and shall be announced in accordance with such requirements.

## CHAPTER XII SUPPLEMENTARY PROVISIONS

### Article 189 Definition

- (i) A controlling shareholder refers to a shareholder holding shares representing more than 50% of the total share capital of the Company; holding less than 50% of shares in the Company, but the voting rights vested by the shares held by him/her have a material influence on resolutions made at a general meeting.
- (ii) An actual controller refers to a person who, through investment relationships, agreements, or other arrangements, may actually control the activities of the Company.
- (iii) Related party (connected) relationship refers to the relationship between the Company's controlling shareholders, actual controllers, directors, supervisors and senior management on the one hand and the enterprises they directly or indirectly control on the other hand, as well as other relationships that may lead to the diversion of the Company's interests pursuant to the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed. However, the state-controlled enterprises do not have a related party (connected) relationship merely because they are both controlled by the state.

For the purposes of the Articles of Association, the term “accounting firm” shall have the same meaning as “auditors.”

**Article 190** The Board of Directors may, in accordance with the Articles of Association, formulate detailed rules of the Articles which shall not be in conflict with the provisions hereof.

Matters not covered in the Articles of Association shall be subject to relevant national laws, regulations, normative documents and the regulatory rules of the place where the shares of the Company are listed (including but not limited to the Hong Kong Listing Rules and the Hong Kong Securities and Futures Ordinance). If these Rules are inconsistent with the relevant laws, regulations, normative documents and the regulatory rules of the place where the shares of the Company are listed, the provisions of the relevant laws, regulations, normative documents and the regulatory rules of the place where the shares of the Company are listed shall prevail.

**Article 191** The Articles of Association are written in Chinese. In case of any discrepancy between the Articles of Association in any other language or different versions and the Articles of Association, the latest Chinese version filed with the Suzhou Administration for Industry and Commerce shall prevail.

**Article 192** The terms “or more”, “below” and “within” referred to herein shall include the given figure; and the terms “more than half”, “beyond”, “exceed”, “less than” and “more than” shall not include the given figure.

**Article 193** The Board of Directors of the Company shall be responsible for the interpretation of the Articles of Association.

**Article 194** Annexes to the Articles of Association include the rules of procedure for the general meeting, the rules of procedure for the Board of Directors and the rules of procedure for the Supervisory Committee.

**Article 195** The Articles of Association shall be considered and approved by the general meeting of the Company and shall come into force and be implemented from the date on which the H shares issued by the Company are filed with the China Securities Regulatory Commission and listed for trading on the Stock Exchange of Hong Kong Limited. The original Articles of Association of the Company shall automatically become invalid upon the effective date of the articles of Association.

**Article 196** If any provision in the Articles of Association is inconsistent with laws, regulations, rules, the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed, the provisions of laws, regulations, rules, the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed shall prevail.