

**Articles of Association of  
Beijing Biostar Pharmaceuticals Co., Ltd.**

**(Applicable after the listing of H Shares)**

## Contents

<b>Chapter 1</b>	<b>General Provisions</b> .....	<b>3</b>
<b>Chapter 2</b>	<b>Business Objectives and Scope</b> .....	<b>6</b>
<b>Chapter 3</b>	<b>Shares</b> .....	<b>7</b>
<b>Chapter 4</b>	<b>Shareholders and Shareholders' General Meetings</b> .....	<b>17</b>
<b>Chapter 5</b>	<b>Board of Directors</b> .....	<b>46</b>
<b>Chapter 6</b>	<b>General Manager and Other Members of the Senior Management</b> .....	<b>59</b>
<b>Chapter 7</b>	<b>Board of Supervisors</b> .....	<b>62</b>
<b>Chapter 8</b>	<b>Financial and Accounting Systems, Profit Distribution, and Audit</b> .....	<b>66</b>
<b>Chapter 9</b>	<b>Notice and Announcement</b> .....	<b>74</b>
<b>Chapter 10</b>	<b>Merger, Division, Capital Increase, Capital Reduction, Dissolution and Liquidation</b> .....	<b>77</b>
<b>Chapter 11</b>	<b>Amendments to Articles of Association</b> .....	<b>83</b>
<b>Chapter 12</b>	<b>Supplementary Articles</b> .....	<b>84</b>

# Articles of Association of Beijing Biostar Pharmaceuticals Co., Ltd.

(Draft)

## CHAPTER 1 GENERAL PROVISIONS

- Article 1** In order to safeguard the legitimate rights and interests of Beijing Biostar Pharmaceuticals Co., Ltd. (the “Company”), its shareholders and creditors, and to regulate 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 (Revised in 2023) (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and other relevant regulations, and with reference to the Guidelines for Articles of Association of Listed Companies and relevant regulations of the China Securities Regulatory Commission (the “CSRC”) in relation to corporate governance.
- Article 2** The Company is a joint stock limited company established in accordance with the Company Law and other regulations of relevant laws, administrative regulations, departmental regulations in China.
- The Company was established by Beijing Biostar Pharmaceuticals Co., Ltd. by way of full conversion, registered with the Administration for Market Regulation of Beijing Economic-Technological Development Area, and obtained Business License with the unified social credit code of 9111010874157874XP.
- Article 3** The Company’s initial public offering of 14,588,000 overseas listed foreign shares (“H Shares”) in Hong Kong was filed with the China Securities Regulatory Commission (the “CSRC”) on June 12, 2024. The aforementioned H Shares were listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on October 31, 2024.

- Article 4** Registered name of the Company
- Chinese name: 北京華昊中天生物醫藥股份有限公司
- English name: Beijing Biostar Pharmaceuticals Co., Ltd.
- Article 5** Domicile of the Company: Room 310, 3/F, Building 3 No. 88 Courtyard, Kechuang Sixth Street, Beijing Economic-Technological Development Area, Beijing
- Postal code: 100023
- Article 6** The registered capital of the Company is RMB364,588,000.
- Article 7** The Company is a joint stock limited company with perpetual existence.
- Article 8** The chairman of the Board of Directors is the legal representative of the Company and shall be elected or changed by a majority of all members of the Board of Directors.
- The resignation of the chairman of the Board of Directors shall be deemed to be the resignation of the legal representative at the same time. If the legal representative resigns, the Company shall appoint a new legal representative within thirty days from the date of resignation of the legal representative.
- The legal consequences of civil activities performed by a legal representative in the name of the Company shall be borne by the Company. Where the legal representative causes damage to any other person in the performance of his/her duties, the Company shall assume civil liability for such damage. The Company may, after assuming such civil liability, claim reimbursement from the legal representative at fault in accordance with the laws or the Articles of Association.
- Article 9** The total assets of the Company are divided into shares of equal par value. The shareholders shall be liable to the Company to the extent of the shares they subscribed, and the Company shall be liable for its debts to the extent of all of its assets.

- Article 10** The Articles of Association shall, as from the date when they come into effect, become a legally binding document regulating the organization and activities of the Company, as well as the relationship of rights and obligations between the Company and its shareholders and among the shareholders themselves, and shall have legally binding effect upon the Company and its shareholders, directors, supervisors and members of the senior management. According to the Articles of Association, shareholders may sue shareholders; shareholders may sue the Directors, Supervisors, General Manager and other members of the senior management of the Company; shareholders may sue our Company, and our Company may sue shareholders, Directors, Supervisors, General Manager and other members of the senior management.
- Article 11** The other members of the senior management mentioned in the Articles of Association refer to the deputy general manager, secretary to the Board of Directors, financial officer (chief financial officer), chief scientific officer and chief marketing officer.
- Article 12** The Company establishes a Communist Party organization to carry out the activities of the Communist Party in accordance with the provisions of the Constitution of the Communist Party of China (《中國共產黨章程》), and provides the necessary conditions for the activities of the Communist Party organization.

## CHAPTER 2 BUSINESS OBJECTIVES AND SCOPE

**Article 13** Business objectives of the Company: developing genuine innovative drugs in China to benefit cancer patients around the world, presenting itself outstandingly in the biotechnology field in China and becoming the leading company in the field of innovative natural microbial small molecules innovative drugs.

**Article 14** Registered in accordance with the laws, the business scope of the Company: manufacturing of biological drugs (excluding proprietary Chinese medicines); wholesale of drugs, retail of drugs; research and development of biotechnology and biopharmaceuticals, provision of technology transfer, technology consultation, technology services, and technology training; import and export of goods and technology. (The market entities independently choose to operate projects and carry out business activities according to laws; projects that are required to be approved according to laws can only be conducted within the approved content after being approved by relevant authorities; business activities prohibited or restricted by industrial policies of the country and city are not allowed.)

## CHAPTER 3 SHARES

### Section 1 Issuance of Shares

- Article 15** The Shares of the Company take the form of registered stocks.
- Article 16** The Shares of the Company shall be issued following the principles of open, fairness and justice, and each share in the same class shall have the same rights.
- Shares issued at the same time and within the same class must be issued on the same conditions and at the same price, and the same price shall be paid for each share subscribed for by any entity or individual.
- The unlisted domestic shares issued by the Company shall rank *pari passu* with the overseas listed shares in respect of any distribution by way of dividend (including distributions in cash and in specie) or otherwise. No powers shall be exercised to freeze or otherwise prejudice any of the rights attaching to any share by reason only that any person who is interested directly or indirectly therein has failed to disclose his/her interests to the Company.
- After being filed with the securities regulatory authority of the State Council and approved by the Hong Kong Stock Exchange, all or part of the Company's unlisted domestic shares may be converted into overseas listed shares, and the overseas listed shares so converted may be listed and traded on an overseas stock exchange. The listing and trading of such converted shares on the overseas stock exchange shall also be subject to the regulatory procedures, regulations and requirements of the overseas stock market.
- Article 17** All the shares issued by the Company shall have a par value denominated in Renminbi.
- Article 18** The unlisted domestic shares issued by the Company are centrally deposited with China Securities Depository and Clearing Corporation Limited. The H shares issued by the Company shall primarily be deposited in the custodian company of the Hong Kong Securities Clearing Company Limited in accordance with the laws and practices for securities registration and depository of the place where the shares of the Company are listed, or may also be held by shareholders in their own names.

**Article 19**

The Company was established by way of promotion. The total number of shares upon establishment was 350,000,000 shares, all of which were Renminbi ordinary shares with a par value of RMB1 each. As at the Company was established, the number of shares subscribed by the promoters, their respective proportion to the total share capital, contribution method and time are set out as following:

No.	Name of shareholder	No. of subscribed share (shares)	Percentage of shareholding (%)	Method of contribution	Time of Contribution
1	BaygenQT Inc.	40,505,885	11.5731	Shares converted from net assets	2020.11.30
2	Beijing Baygen Technologies Ltd.*	419,561	0.1199	Shares converted from net assets	2020.11.30
3	Beijing Xin Sheng De Yuan Enterprise Management Co. Ltd.*	34,798,296	9.9424	Shares converted from net assets	2020.11.30
4	Beijing Dexin Botai Enterprise Management Centre (Limited Partnership)	24,475,926	6.9931	Shares converted from net assets	2020.11.30
5	Beijing Lapam Venture Capital Centre (Limited Partnership)*	13,969,660	3.9913	Shares converted from net assets	2020.11.30
6	Shenzhen Dachen Chuangfeng Equity Investment Enterprise (Limited Partnership)*	12,822,213	3.6635	Shares converted from net assets	2020.11.30
7	Beijing Chongde Hongxin Venture Capital Centre (Limited Partnership)*	15,529,256	4.4369	Shares converted from net assets	2020.11.30
8	Zhang Haiyan	11,118,115	3.1766	Shares converted from net assets	2020.11.30
9	Betla Pharmaceuticals Co., Ltd.	11,118,045	3.1766	Shares converted from net assets	2020.11.30
10	Beijing Zhongling Yanyuan Venture Capital Center (Limited Partnership)*	6,670,829	1.9060	Shares converted from net assets	2020.11.30
11	Tang Li	3,592,932	1.0266	Shares converted from net assets	2020.11.30
12	Zhuhai Xingkong Yaoguang Investment Partnership (Limited Partnership)*	4,023,535	1.1496	Shares converted from net assets	2020.11.30



No.	Name of shareholder	No. of subscribed share (shares)	Percentage of shareholding (%)	Method of contribution	Time of Contribution
13	Nanjing Gaoke Xijun Growth Phase I Equity Investment Partnership (Limited Partnership)*	6,372,316	1.8207	Shares converted from net assets	2020.11.30
14	Sichuan Xintongde Big Data Industry Venture Capital Partnership (Limited Partnership)*	1,911,698	0.5462	Shares converted from net assets	2020.11.30
15	Chengdu Venture Capital Co., Ltd.*	3,122,434	0.8921	Shares converted from net assets	2020.11.30
16	Chengdu Jingrong Venture Capital Co., Ltd.*	1,274,465	0.3641	Shares converted from net assets	2020.11.30
17	Chengdu Chengchuang Zhilian Technology Partnership (Limited Partnership)*	63,719	0.0182	Shares converted from net assets	2020.11.30
18	SDIC VC Fund (Shanghai) of Technology Transfer and Commercialization (Limited Partnership)*	29,426,685	8.4076	Shares converted from net assets	2020.11.30
19	Efung Ruihua (Zaozhuang) Venture Capital Centre (Limited Partnership)*	16,370,448	4.6773	Shares converted from net assets	2020.11.30
20	Efung XIV (Zaozhuang) Venture Capital Centre (Limited Partnership)*	5,456,813	1.5591	Shares converted from net assets	2020.11.30
21	Matrix Partners China VI Hong Kong Limited	17,150,002	4.9000	Shares converted from net assets	2020.11.30
22	CCTC Zhongmin (Kunshan) Venture Capital Enterprise (Limited Partnership)*	1,559,087	0.4455	Shares converted from net assets	2020.11.30
23	Ningbo Meishan Free Trade Port Zone Qirui Investment Center (Limited Partnership)*	3,118,173	0.8909	Shares converted from net assets	2020.11.30
24	Shenzhen Qianhai Jiancheng Investment Co., Ltd.*	2,338,630	0.6682	Shares converted from net assets	2020.11.30

No.	Name of shareholder	No. of subscribed share (shares)	Percentage of shareholding (%)	Method of contribution	Time of Contribution
25	Tianjin Tianchuang Yongxin Enterprise Management Partnership (Limited Partnership)*	3,897,726	1.1136	Shares converted from net assets	2020.11.30
26	Chengdu Bio-City I Equity Investment Fund Partnership (Limited Partnership)*	2,338,630	0.6682	Shares converted from net assets	2020.11.30
27	Jinjiang Guangzhi Chuangke I Equity Investment Partnership (Limited Partnership)*	779,543	0.2227	Shares converted from net assets	2020.11.30
28	CCBI Jinding Investment (Tianjin) Co., Ltd.*	1,559,087	0.4455	Shares converted from net assets	2020.11.30
29	Zhuhai Huajin Haoyuan Enterprise Management Partnership (Limited Partnership)*	19,220,863	5.4917	Shares converted from net assets	2020.11.30
30	Zhuhai Jingrong Haoyuan Investment Partnership (Limited Partnership)*	25,393,539	7.2553	Shares converted from net assets	2020.11.30
31	Ningbo Meishan Free Trade Port Zone Jiusheng Investment Partnership (Limited Partnership)*	3,897,716	1.1136	Shares converted from net assets	2020.11.30
32	Foshan Zhiyao I Venture Capital Partnership (Limited Partnership)*	2,026,814	0.5791	Shares converted from net assets	2020.11.30
33	Xiamen Feiyu Yingchuang Industrial Investment Partnership (Limited Partnership)*	1,559,087	0.4455	Shares converted from net assets	2020.11.30
34	Shenzhen Zhongju Huixin Investment Centre (Limited Partnership)*	670,767	0.1916	Shares converted from net assets	2020.11.30
35	Foshan Hongtao Tongxuan Equity Investment Partnership (Limited Partnership)*	2,079,392	0.5941	Shares converted from net assets	2020.11.30

No.	Name of shareholder	No. of subscribed share (shares)	Percentage of shareholding (%)	Method of contribution	Time of Contribution
36	Langma No. 26 (Shenzhen) Venture Capital Centre (Limited Partnership)*	670,767	0.1916	Shares converted from net assets	2020.11.30
37	Langma No. 32 (Shenzhen) Venture Capital Centre (Limited Partnership)*	804,927	0.2300	Shares converted from net assets	2020.11.30
38	Langma No. 34 (Shenzhen) Venture Capital Centre (Limited Partnership)*	1,207,395	0.3450	Shares converted from net assets	2020.11.30
39	Jiaying Xingkong Guiqi Equity Investment Partnership (Limited Partnership)*	2,682,990	0.7666	Shares converted from net assets	2020.11.30
40	Zhuhai Huaxin Haoyuan Business Management Partnership (Limited Partnership)*	14,002,034	4.0006	Shares converted from net assets	2020.11.30
<b>Total</b>		<b><u>350,000,000</u></b>	<b><u>100.00</u></b>		

**Article 20** Upon the completion of the initial public offering of H Shares, the total number of shares of the Company shall be 364,588,000 shares, all of which are ordinary shares.

**Article 21** The Company shall not provide any financial assistance by means of donation, loan, guarantee or other means for others to obtain the shares of the Company or the parent company thereof unless it carries out an employee stock ownership plan.

Subject to the provisions of laws, regulations, and securities regulatory rules of the places where the Company's shares are listed, for the benefits of the Company, the Company may, upon a resolution by the shareholders' general meeting or by the Board of Directors under the Articles of Association or the authorization of the shareholders' general meeting, provide financial assistances for others to obtain the shares of the Company or the parent company thereof, provided that the total accumulative amount of the financial assistances shall not exceed 10% of the total issued share capital. A resolution by the Board of Directors shall be adopted by two thirds of all the directors.

In the event of any violation against the provisions of the preceding two paragraphs which causes losses to the Company, the responsible directors, supervisors and senior management shall be liable for compensation.

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

### **Article 22**

According to the operation and development needs of the Company, subject to the applicable laws, regulations and securities regulatory rules of the places where the Company's shares are listed, the Company may increase the registered capital by the following ways upon approval by separate resolution of the shareholders' general meeting:

- (I) public issuance of shares;
- (II) non-public issuance of shares;
- (III) issuing of bonus shares to existing shareholders;
- (IV) capitalization of common reserve fund;
- (V) other means stipulated by laws and administrative regulations or approved by relevant regulatory authorities.

Subject to the applicable laws, regulations and securities regulatory rules of the places where the Company's shares are listed, the Board of Directors may, by authorization of the shareholders' general meeting, decide to issue not more than 50% of the shares that have been issued within three years. However, if the capital contributions are to be made using non-monetary property, they shall be subject to a resolution made by the shareholders' general meeting.

Where the Board of Directors decides to issue shares pursuant to the preceding paragraph, and thus results in a change in the registered capital or the number of issued shares of the Company, the voting at the shareholders' general meeting may not be needed to revise such item set forth in the Articles of Association. Where the shareholders' general meeting authorizes the Board of Directors to decide on issuing new shares, a resolution of the Board of Directors shall be adopted by two thirds of all the Directors.

### **Article 23**

The Company may reduce its registered capital. The reduction in registered capital shall be made in accordance with the procedures set out in the Company Law, the Hong Kong Listing Rules and other relevant regulations and the Articles of Association.

- Article 24** The Company shall not repurchase its shares except under any of the following circumstances:
- (I) reducing the Company's registered capital;
  - (II) merging with other companies holding shares of the Company;
  - (III) using the shares as employee stock plans or share incentives;
  - (IV) requiring the Company for acquiring their shares from Shareholders who have voted against the resolutions passed at a shareholders' general meeting on the merger or division of the Company;
  - (V) use of shares for conversion of convertible corporate bonds issued by the Company;
  - (VI) necessary if the Company wishes to maintain the value of the company and the interests of the shareholders;
  - (VII) other circumstances stipulated by laws, administrative regulations, departmental rules and the securities regulatory rules of place where the Company's shares are listed.

**Article 25** The Company may repurchase its shares through public centralized trading or other ways recognized by laws, regulations, the Hong Kong Listing Rules and relevant regulatory authorities under the premise of complying with the securities regulatory rules of the places where the Company's shares are listed.

**Article 26** Approval shall be obtained from the shareholders' general meeting when the Company is to repurchase its own shares under the circumstances (I) or (II) set out above; if the share repurchase is made under any of the circumstances stipulated in (III), (V) or (VI) of Article 24 of the Articles of Association, centralized trading shall be adopted publicly, and a resolution of the Board of Directors shall be made by a two-thirds majority of directors attending the meeting under the premise of complying with the applicable securities regulatory rules of the places where the Company's shares are listed. If it is otherwise provided in the securities regulatory rules of the places where the Company's shares are listed, such rules shall prevail in the premise of not violating the provisions of the Company Law, the Securities Law and other laws and regulations and the Guidelines for the Articles of Association of Listed Companies.

Following the purchase of its own shares by the Company in accordance with Article 24 of the Articles of Association, if the shares fall under the circumstances specified in item (I), they shall be canceled within 10 days from the date of purchase, provided that the applicable securities regulatory rules of the place where the Company's shares are listed have been observed; under the circumstances specified in items (II) and (IV), the shares shall be assigned or deregistered within six months; in the case of items (III), (V) and (VI), the total number of shares held by the Company shall not exceed 10% of the total number of shares issued by the Company, and shall be assigned or deregistered within three years. Where the securities regulatory rules of the place where the Company's shares are listed provide for otherwise, such rules shall prevail provided that they do not violate the laws and regulations such as the Company Law and the Securities Law, as well as other applicable domestic laws and regulations such as the Guidance on the Articles of Association of Listed Companies.

Any purchase of the Company's shares by the Company should adhere to the information disclosure obligations as stipulated in the Securities Law and the securities regulations and rules of the places where the Company's shares are listed.

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

#### **Article 27**

The shares of the Company may be transferred according to law, unless otherwise provided by laws, administrative regulations, departmental rules or securities regulatory rules of the place where the shares are listed.

Transfer of H shares shall be registered with the local share registration agency entrusted by the Company in Hong Kong.

Transfer of any H Shares shall be executed with a written instrument of transfer with a common format or other format accepted by the Board of Directors (including the standard transfer format or transfer form specified from time to time by Hong Kong Stock Exchange), which may only be signed by hand or (if the transferor or transferee is a company) affixed with the effective corporate seal. If the transferor or transferee is a recognized clearing house defined in the relevant provisions in force from time to time of the Hong Kong laws (hereinafter referred to as a "recognized clearing house") or its agent thereof, the instrument of transfer may be signed by hand or by machine imprinted signatures. All instruments of transfer shall be kept at the legal address of the Company or other place designated by the Board of Directors from time to time.

**Article 28** The Company shall not accept its shares to be held as security under a pledge.

**Article 29** Shares of the Company that were issued prior to a public offering shall not be transferred within one year from the date on which shares of the Company are listed and traded on the stock exchange.

The directors, supervisors and members of the senior management of the Company shall declare to the Company their shareholdings in the Company and the changes therein. The shares transferred each year during their term of office as determined at the time of his/her appointment shall not exceed 25% of the total number of shares they held in the Company. The shares in the Company held by them shall not be transferred within one year from the date on which the Company's shares are listed for trading. The shares in the Company held by them shall not be transferred within half a year from the date on which they cease to be employed by the Company.

Where the listing rules of the places where the Company's shares are listed provide otherwise in respect of the restrictions on the transfer of shares, such rules shall prevail.

**Article 30** Any gains from sale of Company's shares or other securities with an equity nature by the directors, supervisors and members of the senior management or shareholders holding 5% or more of the Company's shares within six months after their purchase of the same, and any gains from the purchase of the shares or other securities with an equity nature by any of the aforesaid parties within six months after their sale of the same, shall belong to the Company, and the Board of Directors shall recover such gains from the abovementioned parties. However, unless the securities company which holds 5% or more of the Company's shares as a result of underwriting the untaken shares in an offer, and there are other circumstances prescribed by the CSRC.

Shares or other securities with an equity nature held by directors, supervisors, members of the senior management and individual shareholders as mentioned in the preceding paragraph include shares or other securities with an equity nature held by their spouses, parents or children, or held under other people's accounts.

If the Board of Directors fails to comply with the provisions set forth in the first paragraph of this article, the shareholders are entitled to request the Board of Directors to comply with such within 30 days. If the Board of Directors of the Company fails to comply within the aforesaid period, the shareholders are entitled to initiate legal proceedings directly in the people's court in their personal capacity for the interest of the Company.

If the Board of Directors fails to comply with the provisions set forth in the first paragraph of this Article, the responsible directors shall bear joint liabilities in accordance with the law.



## CHAPTER 4 SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETINGS

### Section 1 Shareholders

#### Article 31

The Company shall set up a register of shareholders based on the certificates provided by the securities registration agency. The register of shareholders shall be sufficient evidence to the holding of the shares of the Company by a shareholder. The original copy of the register of H shareholders is kept in Hong Kong and is available for inspection by shareholders, but the Company may suspend the registration of shareholders in accordance with applicable laws and regulations and the securities regulatory rules of the places where the Company's shares are listed. If there are special provisions under the applicable laws, administrative regulations, departmental regulations, normative documents and the securities regulatory rules of the place where the Company's shares are listed on the closure of alternation of registration in the register of shareholders, those provisions shall prevail.

A shareholder shall enjoy rights and assume obligations according to the class of shares held by that shareholder. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

If a shareholder of overseas listed H shares loses share certificates and applies for a replacement issue, it may be handled in accordance with the laws, the rules of the stock exchanges or other relevant provisions of the storage site of the original copy of the register of H shareholders of the overseas listed H shares.

In respect of the joint shareholders of any shares, only the joint shareholder whose name stands first in the register of shareholders shall be entitled to receive from the Company a share certificate for the relevant shares, or to receive notices from the Company, and any notice served on the said person shall be deemed to have been served on all the joint shareholders of the relevant shares. Any one of such joint shareholders may sign a proxy form provided that, if more than one joint shareholders are present in person or by proxy, the vote made by the preferred joint shareholder, whether in person or by proxy, shall be accepted as the sole vote for the remaining joint shareholders. For this purpose, the priority of the shareholders must be determined by the order in which the names of the joint shareholders stand in relation to the relevant shares on the register of shareholders of the Company.

**Article 32**

Where the Company holds a shareholders' general meeting, distributes dividends, undergoes liquidation or engages in other activities requiring the identification of the shareholders, the date of registration of shareholdings shall be determined by the Board of Directors or the convener of the shareholders' general meeting. The shareholders who appear on the register of shareholders after the close of trading on the date of registration of shareholdings are shareholders entitled to the corresponding rights and interests.

**Article 33**

shareholders of the Company shall be entitled to the following rights:

- (I) to receive dividends and profit distributions in other forms in proportion to the shares they hold;
- (II) to file a petition, convene, hold, attend or send proxies to attend the shareholders' general meetings and exercise their corresponding right to speak and vote according to laws (unless individual shareholders are required to waive their voting rights on certain matters in accordance with the relevant requirements of the place where the Company's securities are listed);
- (III) to supervise, present suggestions on or make inquiries about the operations of the Company;
- (IV) to transfer, make a gift of or pledge the Company's shares held by them in accordance with laws, administrative regulations and the Articles of Association;
- (V) to consult and copy the articles of association, the register of shareholders, counterfoils of corporate bonds, minutes of shareholders' general meetings, resolutions of the Board meetings, resolutions of meetings of the Board of Supervisors and the financial and accounting reports of the Company and its wholly-owned subsidiaries;
- (VI) to participate in the distribution of the remaining properties of the Company in proportion to their shareholdings in the event of the termination or liquidation of the Company;
- (VII) to request the Company to purchase their shares for the shareholders who object to the Company's resolution on merger or split-up made by the shareholders' general meetings;
- (VIII) to enjoy other rights stipulated by laws, administrative regulations, departmental regulations, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

**Article 34** Where shareholders request for inspection of the relevant information or demand materials as provided for in the previous article, they shall provide the Company with written documents evidencing the class and number of shares in the Company they hold. Upon verification of the shareholder's identity, the Company shall provide information as requested by such shareholder.

**Article 35** If the content of the resolutions at the shareholders' general meetings and the board resolutions are in violation of laws and administrative regulations, such resolutions are invalid.

In the event that the convening procedure or voting formula of the shareholders' general meetings or meetings of the Board of Directors violates laws, administrative regulations or the Articles of Association, or the content of the resolutions violates the Articles of Association, shareholders are entitled to ask the people's court to overturn within 60 days after the resolution is made, except where the procedures for convening a meeting of the shareholders or the Board of Directors or the voting formula only has some minor defects, which produces no substantial effect on the resolution.

Any shareholder who fails to be notified to attend the shareholders' general meeting may, within 60 days as of the day when it knows or ought to know that the resolution of the shareholders' general meeting is made, request the people's court to cancel the resolution. If the right of cancellation is not exercised within one year as of the date when the resolution is made, it shall be extinguished.

**Article 36** Under any of the following circumstances, a resolution of the shareholders' general meeting or the Board of Directors of the Company shall be invalid:

- (i) the resolution is adopted without holding a shareholders' general meeting or meeting of the Board of Directors;
- (ii) the shareholders' general meeting or meeting of the Board of Directors fails to vote on the resolution;
- (iii) the number of persons attending the meeting or the number of the voting rights held by them fails to reach the number as prescribed by the Company Law or the Articles of Association;
- (iv) the number of persons consenting to the resolution or the number of the voting rights held by them fails to reach the number as prescribed by the Company Law or the Articles of Association.

**Article 37**

Where the Company incurs loss as a result of violation of the laws, administrative regulations or the Articles of Association by directors and senior management in the course of performing their duties, they shall be liable for compensation. Where any director or senior management is under the preceding circumstance, the shareholders individually or jointly holding more than 1% of the shares of the Company for over 180 consecutive days shall have the rights to request in writing to the Board of Supervisors to initiate legal proceedings in the people's court. Where the Company incurs loss as a result of violation of the laws, administrative regulations or the Articles of Association by the Board of Supervisors in the course of performing its duties, the aforesaid shareholders shall have the rights to request in writing to the Board of Directors to initiate legal proceedings in the people's court.

In the event that the Board of Supervisors and the Board of Directors refuse to file an action upon receipt of the shareholders' written request specified in the preceding paragraph, or fail to file an action within 30 days upon receipt thereof, or in the event that the failure to immediately file an action in an emergency case will cause irreparable damage to the interests of our Company, the shareholder(s) specified in the preceding paragraph may, in their own name, directly file an action to the people's court for the interest of our Company.

In the event of any other person infringes upon the legitimate rights and interests of our Company and causes losses thereto, the shareholder(s) specified in paragraph 1 of this article may file an action with the people's court pursuant to the provisions of the preceding two paragraphs.

If a director, supervisor or senior management of a wholly-owned subsidiary of the Company is under the circumstance specified in the preceding paragraph, or if the legitimate rights and interests of a wholly-owned subsidiary of the Company are impaired by any other person, thus causing any losses, the shareholders of a limited liability company and the shareholders of a joint stock limited liability company separately or aggregately holding more than 1% of the total shares of the Company for over 180 consecutive days may request the Board of Supervisors or the board of directors of the wholly-owned subsidiary in written form to initiate a lawsuit in the people's court or directly files a lawsuit with the people's court in their own name.

**Article 38**

In the event of a director or senior management person violates laws, administrative regulations or the Articles of Association, thereby damaging the interests of the shareholder(s), the shareholder(s) may file an action with the people's court.

Where any director or senior management causes any damage to any other person in the performance of duties, the Company shall be liable for compensation. If any director or senior management is intentional or gross negligent, he/she shall also be liable for compensation.

Where any controlling shareholder or actual controller of the Company instructs any director or senior management to carry out any act damaging the interests of the Company or the shareholders, it shall bear joint liability with the director or senior management.

**Article 39**

shareholders of the Company shall assume the following obligations:

- (I) to abide by the laws, administrative regulations, departmental regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association;
- (II) to pay subscription monies according to the shares subscribed and the method of subscription;
- (III) not to withdraw the shares unless required by the laws and administrative regulations;
- (IV) not to abuse their shareholders' rights to jeopardize the interests of the Company or other shareholders, and not to abuse the status of the Company as an independent legal entity and the limited liability of shareholders to jeopardize the interests of any creditors of the Company.
- (V) other obligations imposed by the laws, administrative regulations, departmental regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

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

**Article 40**

The shareholders holding more than 5% of the Company's voting rights shall, in the event of a pledge of the shares held by them, report to the Company in writing on the date of such event.

**Article 41** The controlling shareholders, actual controllers, directors, supervisors and senior management of the Company shall not take advantage of their associated relationship to damage the Company's interests. Any loss caused to the Company as a result of such violation shall be compensated.

The controlling shareholders and actual controllers of the Company are obliged to act in good faith to the Company and other shareholders. The controlling shareholders shall exercise their rights as capital contributors in strict accordance with the law and shall not impair the lawful rights and interests of the Company or of the public shareholders by means of the distribution of profits, reorganization of assets, external investment, fund occupation, loan guarantees, nor shall they make use of their controlling position to impair the interests of the Company or of the public shareholders.

## **Section 2 General Provisions for the Shareholders' General Meeting**

**Article 42** The shareholders' general meeting is the authority of the Company and shall exercise the following powers according to the laws:

- (I) to decide the Company's operational directions and investment plans;
- (II) to elect and replace directors and supervisors who are not staff representatives and to determine matters relating to the remuneration of the directors and supervisors;
- (III) to consider and approve the reports of the Board of Directors;
- (IV) to consider and approve the reports of the Board of Supervisors;
- (V) to consider and approve the Company's annual financial budgets plans and final accounts plans;
- (VI) to consider and approve the Company's profit distribution plans and loss recovery plans;
- (VII) to make resolutions on increase or reduction of the Company's registered capital;
- (VIII) to make resolutions on the issuance of corporate bonds;
- (IX) to make resolutions on the merger, demerger, dissolution, liquidation or change of corporate form of the Company;
- (X) to amend the Articles of Association;

- (XI) to make resolutions on the issue of appointment or dismissal of accounting firms;
- (XII) to consider and approve the guarantee issues required to be approved by the shareholders' general meeting as prescribed in the Articles of Association;
- (XIII) to consider the issues that the Company purchases or sells within one year any major assets of which the amount exceeds 30% of its latest audited total assets;
- (XIV) to delegate the Board of Directors to resolve on the issue of corporate bonds subject to compliance with relevant laws and regulations and the requirements of the securities regulatory rules of the place where the Company's shares are listed;
- (XV) to consider and approve the changes to the use of proceeds;
- (XVI) to review the share equity incentive plans and employee stock ownership plans;
- (XVII) to consider other matters to be approved at the shareholders' general meeting as required by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

The shareholders' general meeting may delegate the Board of Directors to resolve on the issuance of corporate bonds.

**Article 43**

The following external guarantees of the Company shall be submitted to the shareholders' general meeting for approval after being considered and approved by the Board of Directors :

- (i) Any guarantee to be provided after the total amount of external guarantees provided by the Company and its subsidiaries has exceeded 50% of the Company's audited net assets of the latest period;
- (ii) Any guarantee to be provided after the total amount of external guarantees provided by the Company has exceeded 30% of the Company's audited total assets of the latest period;
- (iii) Any guarantee to be provided where the total guarantee amount within one year has exceeded 30% of the Company's audited total assets of the latest period;

- (iv) Any guarantee to be provided for a party with a gearing ratio of over 70%;
- (v) Any single guarantee with guarantee amount exceeding 10% of the Company's audited net assets of the latest period;
- (vi) Any guarantee to be provided for the shareholders, de facto controllers and their related parties;
- (vii) Other external guarantee matters that shall be decided at the shareholders' general meeting as required by the relevant laws and regulations or the securities regulations and rules of the places where the Company's shares are listed.

Where the shareholders' general meeting is considering the guarantee matters under item (iii) of the first paragraph of this Article, it is subject to the approval of more than two-thirds of the voting rights held by the shareholders present at the meeting.

Where the shareholders' general meeting is considering the guarantee matter under item (vi) of the first paragraph of this Article, shall abstain from voting. Such matter is subject to the approval of more than half of the voting rights held by the other shareholders present at the meeting.

The provisions in items (i), (iv), and (v) of the first paragraph of this article may be waived when the Company provides guarantees for wholly-owned subsidiaries or for controlling subsidiaries where other shareholders of the controlling subsidiaries provide guarantees in the same proportion based on their equity interests they are entitled to, without prejudice to the interests of the Company.

When the Company provides guarantee to a related party, such guarantee should be based on reasonable commercial grounds, timely disclosure is required after the consideration and approval of Board of Directors, and submit it to the shareholders' general meeting for consideration. Where the Company provides guarantees for controlling shareholders, de facto controllers and their related parties, the controlling shareholders, de facto controllers and their related parties shall provide counter-guarantees.

#### **Article 44**

The shareholders' general meetings consist of annual general meetings and extraordinary general meetings. The annual general meeting shall be held once every year within six months from the end of the preceding financial year.



**Article 45**

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

- (i) When the number of directors falls short of the number required by the Company Law or is less than two-thirds of the number as stipulated in the Articles of Association;
- (ii) When the Company's unrecovered losses reach one-third of the total paid-up share capital;
- (iii) Upon the written request of the shareholders who hold 10% or more of the shares of the Company, individually or in aggregate;
- (iv) When the Board of Directors deems it necessary;
- (v) When the Board of Supervisors proposes to convene;
- (vi) Other circumstances as stipulated in laws, administrative regulations, departmental rules, the securities regulations and rules of the places where the Company's shares are listed or the Articles of Association.

The shareholding proportion referred to in item (iii) above shall be calculated based on the number of shares held by the shareholders on the date of the written request.

If the extraordinary general meeting is convened in response to the provisions of the rules of the securities regulation of the place where the Company's shares 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 Company's shares are listed (if applicable).

**Article 46**

The venue for convening a shareholders' general meeting shall be the domicile of the Company or other place as specified in the notice of the shareholders' general meeting.

After the notice of the shareholders' general meeting is issued, the venue of the shareholders' general meeting shall not be changed without justifiable reasons. If a change is necessary, the convenor shall make an announcement at least two working days prior to the date of the meeting and explain the reasons.

A meeting venue shall be set up and the shareholders' general meeting shall be convened by way of physical meetings. The Company will also provide the online method or other means to facilitate shareholders in participating the shareholders' general meeting under the premise of ensuring that the shareholders' general meeting is lawful and effective, and in accordance with the laws, administrative regulations, departmental rules and regulations, and the rules of the securities regulatory authorities in the place where the Company's shares are listed. Any shareholders who participate in the meeting in the aforesaid manner shall be deemed as present.

**Article 47**

When holding a shareholders' 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 eligibility of the attendees and the convener of the meeting are lawful and valid;
- (iii) Whether the voting procedure and results of the meeting are lawful and valid;
- (iv) Legal opinions issued in respect of other relevant issues at the request of the Company.

**Section 3 Convening of Shareholders' General Meetings**

**Article 48**

Shareholders' general meetings shall be convened by the Board of Directors, unless otherwise provided by law or by these Articles.

**Article 49**

Independent non-executive directors shall be entitled to propose to the Board of Directors to convene an extraordinary general meeting. The Board of Directors shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, furnish a written reply stating whether it agrees or disagrees with the convening of the extraordinary general meeting within 10 days after receiving such a proposal from the independent non-executive directors.

In the event that the Board of Directors agrees to convene an extraordinary general meeting, the notice of the meeting shall be issued within 5 days after the Board of Directors passes the relevant resolution. In the event that the Board of Directors does not agree to convene an extraordinary general meeting, it shall state the reasons and make an announcement.

**Article 50**

The Board of Supervisors shall be entitled to propose to the Board of Directors to convene an extraordinary general meeting, and such proposal shall be made in writing. The Board of Directors shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, furnish a written reply stating whether it agrees or disagrees with the convening of an extraordinary general meeting within 10 days after receiving such proposal.

In the event that the Board of Directors agrees to convene an extraordinary general meeting, the notice of the meeting shall be issued within 5 days after the Board of Directors passes the relevant resolution. Any changes to the original proposal made in the notice shall be approved by the Board of Supervisors.

In the event that the Board of Directors does not agree to convene an extraordinary general meeting or does not furnish any reply within 10 days after receiving such proposal, the Board of Directors shall be deemed as unable to perform or failed to perform its duty of convening a shareholders' general meeting, in which case the Board of Supervisors may convene and preside over a shareholders' general meeting by itself.

**Article 51**

Shareholders individually or jointly holding more than 10% of the shares of the Company shall be entitled to request the Board of Directors to convene an extraordinary general meeting, and such request shall be made in writing. The Board of Directors shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, furnish a written reply stating whether it agrees with the convening of the extraordinary general meeting within 10 days after receiving such request.

In the event that the Board of Directors agrees to convene an extraordinary general meeting, the notice of the meeting shall be issued within 5 days after the Board of Directors passes the relevant resolution. Any changes to the original request made in the notice shall be approved by the relevant shareholders.

In the event that the Board of Directors does not agree to convene an extraordinary general meeting or does not furnish any reply within 10 days after receiving such request, shareholders individually or jointly holding more than 10% of the shares of the Company shall be entitled to propose to the Board of Supervisors to convene an extraordinary general meeting, and such proposal shall be made in writing.

In the event that the Board of Supervisors agrees to convene an extraordinary general meeting, the notice of the meeting shall be issued within 5 days after receiving such request. Any changes to the original request made in the notice shall be approved by the relevant shareholders.

Failure of the Board of Supervisors to issue the notice of shareholders' general meeting within the prescribed time limit shall be deemed as failure of the Board of Supervisors to convene and preside over a shareholders' general meeting, and shareholders individually or jointly holding more than 10% of the Company's shares for more than 90 consecutive days are entitled to convene and preside over a shareholders' general meeting on their own initiatives.

**Article 52**

Where the Board of Supervisors or shareholders decide(s) to convene a shareholders' general meeting on their own initiatives, the Board of Directors shall be notified in writing, and records shall be filed with the stock exchange where the Company's shares are listed.

Prior to announcement on the resolutions passed at the shareholders' general meeting, the shareholding of the shareholders convening such meeting shall not be less than 10%.

The Board of Supervisors and the shareholders convening the meeting shall submit the relevant materials for proof to the securities supervisory and regulatory authorities in the place of registration of the Company and to the stock exchange in the place where the Company's shares are listed at the time of issuance of notice of the meeting and announcement on the resolutions passed at the meeting.

**Article 53**

For the shareholders' general meetings convened by the Board of Supervisors or shareholders on their own initiatives, the Board of Directors and its secretary will cooperate. The Board of Directors shall provide the register of members as at the date of registration of shareholdings.

**Article 54**

For the shareholders' general meetings convened by the Board of Supervisors or the shareholders on their own initiatives, the necessary expenses in relation to the meetings shall be borne by the Company.

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

**Article 55** The content of the proposals shall be within the scope of the terms of reference of the shareholders' general meeting, and have clear subjects and specific resolutions, and shall comply with the relevant requirements of the laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed and the Articles of Association. The proposal shall be submitted in writing or delivered to the convener.

**Article 56** When the Company convenes a general meeting, the Board of Directors, the Board of Supervisors, as well as shareholder(s) individually or jointly holding more than 1% of the shares of the Company, shall be entitled to put forward proposals to the Company.

Shareholders individually or collectively holding 1% or more of voting rights attached to the Company's share capital shall be entitled to propose provisional proposals and submit the same to the Board of Directors in writing 10 days prior to date of the meeting. Provisional proposals shall have clear agenda and specific resolutions. The Board of Directors shall dispatch a supplementary notice of the shareholders' general meeting and advise the contents of such provisional proposal within 2 days upon receipt of the proposal, unless the provisional proposal violates the laws, administrative regulations or provisions of the Articles of Association, or does not fall within the scope of the shareholders' general meeting. For the issuance of the supplemental notice of the shareholders' general meeting, if there are special provisions under the securities regulatory rules of the place where the Company's shares are listed, such provisions shall prevail, provided that the Company Law, the Guidelines on the Bylaws of Listed Companies and other applicable provisions are not violated. If the securities regulations and rules of the places where the Company's shares are listed requires the general meeting to be postponed as a result of the supplemental notice, the convening of the general meeting shall be postponed in accordance with the requirements of such securities regulations and rules.

Other than the circumstances referred to in the preceding paragraph, after the convener issues the notice for the shareholders' general meeting, no changes shall be made to the proposals set forth in the notice of the general meeting and no further proposals shall be added.

The shareholders' general meeting shall not vote or resolve on proposals not set forth in the notice of the shareholders' general meeting or not in compliance with the requirements of Article 55 of the Articles of Association.

**Article 57**

The convener will inform each shareholder of the upcoming annual general meeting in writing (including by way of announcement) 21 days before the meeting, and will inform each shareholder of the upcoming extraordinary general meeting in writing (including by way of announcement) 15 days before the meeting, unless the notice of this meeting with the consent of all shareholders may not be limited by notice period and notice system.

When calculating the starting date of the “21 days” and the “15 days” aforementioned, the date of the meeting shall be excluded, but the date of the announcement of the meeting shall be included

**Article 58**

The notice of shareholders’ general meeting shall include the following:

- (I) time, place and duration of the meeting;
- (II) the matters and proposals submitted to the meeting for consideration;
- (III) the notice shall state clearly that all shareholders are entitled to attend the shareholders’ general meeting or appoint proxies in writing to attend and vote at such meeting on their behalf and that such proxies need not to be a shareholder of the Company;
- (IV) the date of registration of shareholdings for shareholders who are entitled to attend the general meeting;
- (V) the names and telephone numbers of the contact person for the meeting affairs;
- (VI) time and process of voting online or by other means.

Adequate and complete disclosure of all the specific details of the proposals shall be made in the notice and supplemental notice of a general meeting. If opinions of the independent non-executive directors are required for the proposed matters to be discussed, the notice of shareholders’ general meeting or supplemental notices shall also disclose such opinions and their reasons.

Procedures for voting at the meeting shall be clearly stated in the notice of the shareholders’ general meeting. Online voting or voting by other means shall commence no earlier than 3:00 p.m. on the day before the physical meeting but no later than 9:30 a.m. on the date of the physical meeting and shall not end earlier than 3:00 p.m. on the date of the conclusion of the physical meeting.

The gap between the date of registration of shareholdings and the date of the meeting shall be no more than 7 business days. The date of registration of shareholdings shall not be changed once confirmed.

**Article 59**

If the election of directors or supervisors is proposed to be discussed in the shareholders' general meeting, the notice of the shareholders' general meeting shall adequately disclose the detailed profiles of the candidates for directors and supervisors, which should include at least the following:

- (I) if there are any circumstances in which the candidates are not allowed to be nominated as directors or supervisors; whether they possess the qualifications required by the laws, administrative regulations, departmental rules, normative documents, the securities regulations and rules of the places where the Company's shares are listed or the Articles of Association;
- (II) personal information such as educational background, work experience, concurrent positions;
- (III) whether they are connected with the Company, the controlling shareholders or de facto controllers of the Company
- (IV) the number of shares held in the Company;
- (V) whether they have been punished by the CSRC or other relevant authorities or been reprimanded by a stock exchange;
- (VI) the information required to be disclosed under the Hong Kong Listing Rules in relation to the new appointment, re-election or re-designation of Directors or Supervisors.

Each candidate for director or supervisor shall be proposed by way of a separate proposal, except for those elected through a cumulative voting system.

**Article 60**

After the notice of shareholders' general meeting is issued, the shareholders' general meeting shall not be postponed or cancelled without a proper reason, and the proposals stated in the notice of shareholders' general meeting shall not be cancelled. In the event of any postponement or cancellation, the convener shall issue a notice and state the reasons at least 2 working days before the original date of the shareholders' general meeting. If the convener is the Board of Directors or the Board of Supervisors, it shall hold a meeting to consider the matters in relation to the cancellation of the shareholders' general meeting. If there are special provisions under the securities regulations and rules of the places where the Company's shares are

listed regarding the procedures for postponing or canceling shareholders' general meetings, the provisions shall prevail provided that they do not violate the domestic regulatory requirements.

## **Section 5 Conducting the shareholders' General Meetings**

**Article 61** The Board of Directors of the Company and other conveners shall take all necessary measures to ensure that the shareholders' general meeting is conducted in an orderly manner. For conduct which interrupts the shareholders' general meeting, provoking troubles, and infringe the legitimate rights of the shareholders, the Company shall take measures to stop the conduct and shall report such to the relevant authorities in a timely manner for their investigation.

**Article 62** All shareholders in the register as at the date of registration of shareholdings or their proxies shall be entitled to attend the general meeting, and to speak and exercise their voting rights at the meeting pursuant to the relevant laws, administrative regulations, departmental rules, listing rules of the place where the shares of the Company are listed and the Articles of Association (unless individual shareholders are required to waive their voting rights on certain matters under the securities regulations and rules of the places where the Company's shares are listed).

A shareholder may attend, speak and vote at the shareholders' general meeting in person or by proxy. A proxy does not need to be a shareholder of the Company.

**Article 63** Individual shareholders attending a shareholders' general meeting in person shall present their identity cards or other valid identity documents or proof. In the case of attending by proxies, the proxies shall present valid identity documents, the proxy forms from the shareholders and a copy of the appointing shareholder's valid identity documents.

Where a shareholder is a legal entity, its legal representative or a proxy entrusted by such legal representative shall attend the meeting. If the meeting is attended by the legal representatives, they shall produce their identity cards and valid proof of their status as legal representatives; if the meeting is attended by proxies of such legal representatives, such proxies shall present their identity cards and the written authorisation letter legally issued by the legal representative of the legal entity shareholder (except for shareholders who are recognized clearing houses or their proxies).



**Article 64** The proxy form for appointing a proxy to attend the shareholders' general meeting issued by a shareholder shall include the following information:

- (I) name of the proxy;
- (II) whether the proxy has the voting right;
- (III) separate instructions as to vote for, against or abstain from voting on each matter to be considered at the general meeting;
- (IV) the issuing date and validity period of the power of attorney;
- (V) signature of the appointing shareholder or proxy entrusted in writing. If the appointing shareholder is a legal entity, the seal of the legal entity shall be affixed or it shall be signed by its Director or a duly authorised agent or officer.

**Article 65** The proxy form shall state whether the proxy may vote as he/she thinks fit in the absence of concrete instructions from the shareholder.

**Article 66** Where a proxy form for appointing a voting proxy is signed by a person authorized by the appointing shareholder, the authorization letter or other authorization documents shall be notarized. Subject to the relevant laws, regulations and regulatory rules of the place where the shares of the Company are listed, the notarized authorization letter or other authorization documents and the proxy form shall be kept at the domicile of the Company or at such other places as designated in the notice of the meeting before the relevant meeting or within the time period specified by the Company.

Where the appointing shareholder is a legal entity, its legal representative or the person authorized by a resolution of its board of directors or other decision-making body shall attend the Company's shareholders' general meetings as the representative of such appointing shareholder.

If the shareholder is a recognized clearing house (or its agent), such shareholder shall be entitled to authorize one or more persons it thinks fit to act as its proxy at any shareholders' general meeting or creditors' meeting. However, if more than one person is appointed as proxies, the proxy form shall clearly state the number and the class of shares represented by each of the proxies. The proxy forms shall be signed by the person authorized by the recognized clearing house. The proxies so appointed may represent the recognized clearing house (or its agent) in exercising its rights (without being required to present share certificate, certified proxy forms and/or further evidence to prove due authorization), and shall be entitled to the legal rights

equivalent to those of the other shareholders, including the right to speak and vote, as if that proxy is an individual shareholder of the Company.

**Article 67** A register for attendees at the meeting shall be compiled by the Company, which shall contain, among others, the name of the attendee (or the name of the organization), identity card number, residential address, the number of shares with voting rights held or represented by the attendee and name of the person (or the name of the organization) who attends the meeting by proxy.

**Article 68** The convener and the lawyers engaged by the Company shall verify the legitimacy of the eligibility of the shareholders based on such register of shareholders provided by the securities registration and clearing institution, and shall register the names of the shareholders as well as the number of shares with voting rights that are held by them. The registration for the meeting shall be completed before the chairman of the meeting announces the number of shareholders and proxies attending the physical meeting and the total number of shares with voting rights that they represent.

**Article 69** When a shareholders' general meeting is convened, all the directors, supervisors and the secretary to the Board of Directors shall attend the meeting, and the chief executive officer and other members of the senior management shall be present at such meeting, other than circumstances that they are unable to attend or be present due to objective reasons. Subject to the securities regulations and rules of the place where the Company's shares are listed, the aforementioned persons may attend or be present at the meeting via internet, video, telephone or other means with equivalent effect.

**Article 70** A general meeting shall be presided over by the chairman of the Board of Directors. If the chairman is unable to or fails to perform his or her duties, the vice chairman shall preside over the meeting. If both the chairman and the vice chairman are unable to or fail to perform their duties, a director jointly elected by more than half of the directors shall preside over the meeting.

The chairman of the Board of Supervisors shall preside over the shareholders' general meeting that is convened by the Board of Supervisors. If the chairman of the Board of Supervisors is unable to or fails to perform his or her duties, the vice chairman of the Board of Supervisors shall preside over the shareholders' general meeting. If both the chairman and vice chairman of the Board of Supervisors are unable to or fail to perform their duties, a supervisor jointly elected by more than half of the supervisors shall preside over the meeting.

A shareholders' general meeting convened by the shareholders shall be presided over by a representative elected by the conveners. If for any reason, the conveners fail to elect a representative to preside over the meeting, the shareholder (including his/her proxy) holding the largest number of voting shares among the conveners shall be the chairman of the meeting to preside over such meeting.

When the chairman of the shareholders' general meeting violates the rules of procedure when holding the meeting and as a result, the shareholders' general meeting is unable to continue, subject to the consent of the shareholders with more than half of voting rights of all the shareholders attending the shareholders' general meeting, the shareholders' general meeting may nominate a person to act as the chairman of the meeting and such meeting may continue.

**Article 71** The Company shall formulate the rules of procedure for the shareholders' general meeting which shall set out in details the convening and voting procedures of a shareholders' general meeting, including notification, registration, consideration of proposals, voting, counting of votes, announcement of voting results, formation of resolutions, meeting minutes and their signing, announcements and other contents, and the principles of authorization to the Board of Directors at the shareholders' general meeting. The authorization shall be clear and specific. The rules of procedure for the shareholders' general meeting shall be prepared by the Board of Directors and approved by at the shareholders' general meeting, and shall be appended to the Articles of Association.

**Article 72** In the annual general meeting, the Board of Directors and the Board of Supervisors shall report to the shareholders' general meeting their work done in the past year. Each independent non-executive director shall also present a work report.

**Article 73** Directors, supervisors and members of the senior management shall explanation in relation to the enquiries and suggestions from the shareholders during the shareholders' general meeting, except for those involving trade secrets of the Company that cannot be publicized.

**Article 74** The chairman of the meeting shall, prior to voting, declare the number of shareholders and proxies attending the meeting as well as the total number of their voting shares, which shall conform to the meeting's registration.

**Article 75** The shareholders' general meeting shall have minutes prepared by the secretary to the Board of Directors.

Minutes shall record the following information:

- (I) time, venue and agenda of the meeting and name of the convener;
- (II) the name of the chairman of the meeting and the names of the directors, supervisors, chief executive officer and other members of the senior management attending or present at the meeting;
- (III) the number of shareholders and proxies attending the meeting, the total number of voting shares held by them, and its proportion in the total number of shares of the Company;
- (IV) the consideration process, summaries of speeches and voting result for each proposal;
- (V) the shareholders' questions, opinions or suggestions and the corresponding answers or explanations;
- (VI) names of the lawyer, vote counters and scrutinizer;
- (VII) other contents to be recorded in the minutes as considered by the Board of Directors or specified in the Articles of Association.

**Article 76**

The convener shall ensure that the contents of the minutes are true, accurate and complete. Directors, supervisors, secretary to the Board of Directors, conveners or their representatives and the chairman of the meeting shall sign on the minutes. The minutes of the meeting shall be kept together with the attendance record of the attending shareholders, letters of authorization of proxies, valid information of online voting and voting by other means, for a period of not less than 10 years.

**Article 77**

The convener shall ensure that the shareholders' general meeting is conducted continuously until final resolutions are made. In the event that the general meeting is adjourned or resolutions failed to be reached due to an event of force majeure or other special reasons, necessary measures shall be taken to resume the meeting as soon as possible or terminate that meeting, and an announcement shall be timely made accordingly. At the same time, the convener shall report to the CSRC branch at the location of the Company and the stock exchange of the place where the Company's shares are listed.

## **Section 6 Voting at and Resolutions of shareholders' General Meetings**

**Article 78** Resolutions of a shareholders' general meeting shall be divided into ordinary resolutions and special resolutions.

Ordinary resolutions of a shareholders' general meeting shall be passed by votes representing more than half of the voting rights held by shareholders (including their proxies) attending the shareholders' general meeting.

Special resolutions of a shareholders' general meeting shall be passed by votes representing more than two-thirds of the voting rights held by shareholders (including their proxies) attending the shareholders' general meeting.

**Article 79** The following matters shall be resolved by way of ordinary resolutions at a shareholders' general meeting:

- (I) work reports of the Board of Directors and the Board of Supervisors;
- (II) profit distribution plan and loss make-up plan formulated by the Board of Directors;
- (III) appointment and dismissal of the members of the Board of Directors and the Board of Supervisors, their remuneration and payment terms;
- (IV) annual financial budgets and final accounts of the Company;
- (V) the Company's annual report;
- (VI) appointment or dismissal of accounting firms by the Company, and the determination of their remuneration;
- (VII) other matters other than those to be approved by special resolutions stipulated in the laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

**Article 80** The following matters shall be resolved by way of special resolutions at a shareholders' general meeting:

- (I) increase or reduction of the registered capital of the Company;
- (II) division, spin-off, merger, dissolution and liquidation of the Company;

- (III) amendments to the Articles of Association;
- (IV) purchase or disposal of material assets or guarantee made by the Company within one year, of which the amount exceeds 30% of the latest audited total assets of the Company;
- (V) share equity incentive plans;
- (VI) other matters stipulated by the laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association and those, according to an ordinary resolution of the shareholders' general meeting, may have a significant impact on the Company and require adoption by means of a special resolution.

**Article 81**

shareholders (including their proxies) exercise voting power with the number of voting shares represented by them, and each share has one vote, except as otherwise provided by laws, administrative regulations, departmental rules, normative documents and securities regulatory rules of the place where the Company's shares are listed.

Where material issues affecting the interests of small and medium investors are being considered at the shareholders' general meeting, the votes by small and medium investors shall be counted separately. The separate counting results shall be publicly disclosed in a timely manner according to the relevant laws, regulations and securities regulatory rules of the place where the Company's shares are listed.

The shares held by the Company itself have no voting rights, and such shares shall not be counted in the total number of voting shares upon attendance at a shareholders' general meeting.

The shares of the Company held by the Company itself do not have voting rights, and such shares shall not be included in the total number of voting shares present at the shareholders' general meeting. If the shareholder's purchase of the voting shares of the Company violates paragraphs 1 and 2 of Article 63 of the Securities Law, voting rights of the shares in excess of the prescribed proportion shall not be exercisable within 36 months after the purchase and shall not be included in the total number of voting shares present at the shareholders' general meeting.

Where any shareholder is, under applicable laws and regulation and the Hong Kong Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against

any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

The Board of Directors, independent directors and shareholders holding more than 1% of the voting shares or the investor protection institutions established in accordance with laws, administrative regulations or the regulations of the CSRC may publicly solicit shareholders' voting rights. The solicitors shall make sufficient disclosure of the information such as their voting preference to the shareholders from whom the voting rights are being solicited. Solicitation of voting rights of shareholders involving compensation or disguised compensation shall be prohibited. The Company shall not impose any limitation in respect of the minimum shareholding ratio on the solicitation of voting rights except as required by law.

When a connected transaction is considered at a shareholders' general meeting, connected shareholders may make appropriate statements on the connected transaction, but shall abstain from voting on the connected transaction and the number of shares with voting rights they represent shall not be counted towards the total number of the valid votes. Such connected transaction shall be approved by a poll of the non-connected shareholders present at the meeting, with more than half of the valid votes cast in favour of such connected transaction; if such transaction falls within the scope of a special resolution, it shall be approved by more than two-thirds of the valid votes cast. The announcement of resolutions at the shareholders' general meeting shall fully disclose the voting of non-connected shareholders.

The abstaining and voting procedures for connected shareholders are as follows:

- (i) The Board of Directors shall make judgment on whether the relevant matters to be submitted to the shareholders' general meeting for consideration constitute the connected transactions in accordance with the provisions of relevant laws, administrative regulations and departmental rules. In making such judgment, the number of shares held by shareholders shall be the same as the date of registration of shareholdings;
- (ii) If, in the judgment of the Board of Directors, the relevant matters to be submitted to the shareholders' general meeting for consideration constitute the connected transactions, the Board of Directors shall notify the connected shareholders in writing;

- (iii) The Board of Directors shall finish the work specified above before giving the notice of the shareholders' general meeting, and inform all the shareholders in the notice of the shareholders' general meeting of the result of such work;
- (iv) When the shareholders' general meeting votes on the connected transactions, after deducting the number of voting shares represented by the connected shareholders, the non-connected shareholders present at the shareholders' general meeting shall vote in accordance with the Articles of Association;
- (v) If there are special circumstances where the connected shareholders cannot abstain, the voting can be conducted in accordance with the normal procedures after the Company has obtained an approval from the competent authority, and detailed explanations shall be given in the resolution of the shareholders' general meeting.

**Article 82**

Unless the Company is in a crisis or under any special circumstance, the Company shall not enter into any contract with any person other than the directors, general manager and other senior management whereby the management of the whole or any substantial part of the business of the Company is to be handed over to such person without the approval of the shareholders' general meeting by way of a special resolution.

**Article 83**

The list of candidates for directors and supervisors shall be submitted as a proposal to the shareholders' general meeting for voting.

When a voting is carried out on the election of directors or supervisors at a shareholders' general meeting, the cumulative voting system may be adopted in accordance with the requirement of the Articles of Association or the resolutions of the shareholders' general meeting. Where a single shareholder and parties acting in concert with him/her/it hold equity interests of 30% or above, the cumulative voting system shall be adopted. Before votes are cast on the candidates for directors or supervisors at the shareholders' general meeting by adopting the cumulative voting system, the chairman of the shareholders' general meeting shall definitely inform the shareholders present that the cumulative voting method shall be adopted for the election of directors or supervisors, and the secretary of the Board of Directors shall specify and explain the cumulative voting method, ballot filling method and other specific operations.



The cumulative voting system referred to in the preceding paragraph means that when directors or supervisors are being elected during a shareholders' general meeting, each share shall carry the same number of voting rights as the number of directors or supervisors to be elected, and the voting rights held by shareholders may be used collectively. The Board of Directors shall announce the biography and basic information of the candidates for directors and supervisors to the shareholders. That is, each valid voting share held by the shareholders shall represent the same number of votes as the total number of the directors or supervisors to be elected at the shareholders' general meeting, and the votes held by a shareholder is equal to the number of shares he/she holds multiplied by the total number of the directors or supervisors to be elected. A shareholder may vote for one candidate for directors or supervisors with all his/her voting rights, or may exercise their voting rights separately and vote for several candidates for directors or supervisors. The elected candidates shall be determined based on the final number of votes cast for the candidates. In the execution of the cumulative voting system, voting shareholders must indicate on one ballot all the directors and supervisors they elect, and after each director and supervisor they elect, the number of votes they use. If the total number of votes used by such shareholder on the ballot exceeds the total number of votes legally owned by such shareholder, the ballot will be invalid.

The Board of Directors shall announce the biography and basic information of the candidates for directors and supervisors to shareholders. Candidates for directors and supervisors shall possess the qualifications for appointment as required by laws, regulations and the stock exchange where the Company's shares are listed, as well as the professional competence and knowledge appropriate for the performance of their duties.

The methods and procedures for nomination of candidates for directors and supervisors are as follows:

- (i) The incumbent board of directors and the shareholders individually or collectively holding over 1% of the Company's shares may nominate candidates, without exceeding the number of persons to be elected, for the position of director for the next session of the board of directors or additional candidates for the position of director who are not employee representatives. The incumbent board of directors shall conduct a review on qualifications. The qualified directors shall be submitted by the board of directors to the shareholders' general meeting for voting. The employee representative directors shall be

democratically nominated and elected through the employee representatives' meeting, employee meeting or other forms, and shall directly sit on the board of directors.

- (ii) The incumbent supervisory committee and the shareholders individually or collectively holding over 1% of the Company's shares may nominate candidates, without exceeding the number of persons to be elected, for the position of supervisor for the next session of the Board of Supervisors or additional candidates for the position of supervisor who are not employee representatives. The incumbent supervisory committee shall conduct a review on qualifications. The qualified supervisors shall be submitted by the Board of Supervisors to the shareholders' general meeting for voting. The employee representative supervisors shall be democratically nominated and elected through the employee representatives' meeting, employee meeting or other forms, and shall directly sit on the Board of Supervisors.
- (iii) The incumbent board of directors, the incumbent supervisory committee and the shareholders individually or collectively holding over 1% of the Company's shares may submit proposals for nomination of candidates for independent non-executive directors to the shareholders' general meeting. The incumbent board of directors shall conduct a review on qualifications. The qualified independent non-executive directors shall be submitted by the board of directors to the shareholders' general meeting for voting.

The board of directors shall disclose the detailed information about the candidates for directors and supervisors prior to the convention of the shareholders' general meeting. Candidates for directors and supervisors shall, prior to the convention of the shareholders' general meeting, make a written undertaking that they agree to accept the nomination, undertake that the information publicly disclosed about the candidates for directors and supervisors is true and complete, and guarantee that they will earnestly perform their duties after being elected.

**Article 84**

Save for those considered under the cumulative voting system, the shareholders' general meeting shall vote on all proposals one by one. If there are different proposals for the same matter, such proposals shall be voted on in the order of time at which they are raised. Unless the shareholders' general meeting is adjourned or no resolution is passed for special reasons such as force majeure, no proposal shall be set aside or refrained from voting at the shareholders' general meeting.

- Article 85** When a proposal is considered at a shareholders' general meeting, no amendments shall be made thereto. Otherwise, any changes made thereto shall be considered as a new proposal, and no voting shall be carried out on that proposal at that shareholders' general meeting.
- Article 86** The same voting right may only be exercised once at a shareholders' general meeting, either by on-site voting, online voting or other means. In the event of multiple casting of the same vote, only the first casting of such vote shall be counted as valid.
- Article 87** Voting at shareholders' general meetings shall be carried out with open ballot.
- Article 88** Before the relevant proposal is voted on at a shareholders' general meeting, two representatives from the shareholders shall be elected for counting the votes and scrutinizing the poll. Shareholders who are connected with the matter under consideration and their proxies shall not count the votes and scrutinize the poll.
- When a proposal is voted on at the shareholders' general meeting, the lawyers, the representatives of the shareholders and supervisors shall be jointly responsible for counting the votes and scrutinizing the poll, and the voting results shall be announced right at the meeting. The voting results of such proposal shall be recorded in the minutes of the meeting.
- The shareholders or their proxies who vote online or by other means shall be entitled to verify their voting results in the corresponding voting system.
- Article 89** The on-site shareholders' general meeting shall not be concluded earlier than the online meeting or that held by other means, and the chairman of the shareholders' general meeting shall announce the voting results of each proposal and whether a proposal is passed according to the voting results.
- Before the voting results are officially announced, the Company, the persons responsible for counting the votes and scrutinizing the poll, substantial shareholders, internet services provider and other relevant parties involved in the on-site shareholders' general meeting, online meeting or that held by other means shall be under an obligation to keep the voting results strictly confidential.
- Article 90** Shareholders attending the shareholders' general meeting, in addition to being required to abstain from voting, shall provide one of following opinions on the proposals to be voted on: for, against or abstain, except for the securities registration and clearing institution

which, as the nominal holder of shares under the Stock Connect mechanism between mainland and Hong Kong stock markets, makes declaration according to the intentions of actual holders.

Unfilled, incorrectly filled, illegible or uncast votes will be regarded as the voters having given up their voting rights and the voting results of the shares held by them shall be counted as “abstention”.

**Article 91**

Where the chairman of the meeting has any doubt as to the voting result of a resolution submitted for voting, he/she may demand the votes to be recounted. If the chairman of the meeting does not have the votes recounted, any shareholder or proxy attending the meeting who disagrees with the result announced by the chairman of the meeting may request the votes to be recounted immediately after the announcement of the voting result, and the chairman of the meeting shall arrange for the votes to be recounted immediately.

If votes are recounted at the shareholders’ general meeting, the recounting result shall be recorded in the minutes of the meeting.

**Article 92**

Resolutions of the shareholders’ general meeting shall be announced in a timely manner in accordance with the relevant laws, regulations, the securities regulatory rules of the places where the Company’s shares are listed, and the provisions of the Articles of Association. The announcement shall contain the number of the shareholders and proxies attending the meeting, the number of voting shares held by them and the proportion to the total number of voting shares of the Company, the voting method, the voting result of each resolution and the details of each resolution passed.

**Article 93**

If a resolution is not passed, or the shareholders’ general meeting alters a resolution passed at the previous shareholders’ general meeting, a special note shall be made in the announcement of the resolutions of the shareholders’ general meeting.

**Article 94**

Where a resolution in relation to the election of directors or supervisors is passed at the shareholders’ general meeting, the term of office of the new directors or supervisors shall commence from the date specified in the relevant election resolution. If the relevant election resolution does not specify the commencement date of the term of office of the new directors or supervisors, the commencement date of the term of office of the new directors or supervisors shall be the date on which the resolution is passed at the shareholders’ general meeting or the date specified in the resolution of the shareholders’ general meeting.

**Article 95**

Where a resolution in relation to the payment of cash dividends, the issue of bonus shares or the capitalization of capital reserves is passed at the shareholders' general meeting, the Company shall implement the specific plans within two months after the conclusion of such shareholders' general meeting. If the specific plan cannot be implemented within two months due to the provisions of laws and regulations and the securities regulatory rules of the places where the Company's shares are listed, the implementation date of the specific plan may be adjusted in accordance with such regulations and the actual situation.

## CHAPTER 5 BOARD OF DIRECTORS

### Section 1 Directors

**Article 96** Directors of the Company may include executive directors, non-executive directors and independent non-executive directors. Non-executive directors refer to directors who do not hold operational management positions in the Company, and independent non-executive directors refer to persons who are independent and do not have any relationship with the Company and its substantial shareholders that may prevent them from exercising independent and objective judgments.

**Article 97** The director of the Company shall be a natural person. A director of the Company under any of the following circumstances:

- (I) a person who is unable or has limited ability to undertake any civil liabilities;
- (II) a person who has been convicted of an offense of bribery, corruption, embezzlement, misappropriation of property, or the destruction of socialist market economy order; or who has been deprived of his political rights due to his/her crimes, in each case where less than five years have elapsed since the date of completion of the sentence. If he/she is pronounced for suspension of sentence, a two-year period has not elapsed since the expiration of the suspension of sentence;
- (III) a person who has been a director, factory manager or manager of a company or an enterprise that has entered into insolvent liquidation and who is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;
- (IV) a person who has been a legal representative of a company or an enterprise that has had its business license revoked due to violations of the law and has been ordered to close down and the person is personally liable, where less than three years have elapsed since the date of such revocation of business license or closure by order of the company or enterprise;
- (V) a person who is listed as a dishonest person subject to enforcement by the people's court due to his/her failure to pay off a relatively large amount of due debts;

- (VI) a person who is penalized by the CSRC to be prohibited from participating in the securities markets with a period yet to be expired;
- (VII) other circumstances stipulated in laws, administrative regulations, departmental regulations or the listing rules of the places where the Company's shares are listed.

Where the election or appointment of a director has violated this Article, such election, appointment or employment shall be null and void. A director to which any of the above circumstances applies during his/her term of office shall be released of his/her duties by the Company.

**Article 98**

Directors shall be elected or replaced by the shareholders' general meeting, and shall be released of his/her duties by the shareholders' general meeting before the expiration of the term of office. The term of office of a director shall be three years. Upon the expiration of the term of office, a director shall be eligible for re-election and re-appointment in accordance with the provisions of the securities regulatory rules of the places where the Company's shares are listed.

The term of office of a director shall commence from the date on which the said director assumes office to the expiry of the current session of the Board of Directors. If the term of office of a director expires but re-election is not made correspondingly on a timely basis, the original director shall continue to perform his/her duties as a director in accordance with the provisions of laws, administrative regulations, departmental regulations and the Articles of Association until the incoming director assumes his/her position.

A director appointed by the Board of Directors to fill a casual vacancy or as an addition to the Board of Directors shall hold office for a term commencing from the date on which the said director assumes office until the first annual general meeting after his/her appointment, and shall then be eligible for re-election.

General manager or other senior management may concurrently serve as a director, provided that the aggregate number of directors who concurrently serve as general manager or other senior management and directors who are employee representatives shall not exceed one-half of the total number of directors of the Company.

The Company currently does not have directors who are employee representatives.

**Article 99**

Directors shall faithfully perform fiduciary obligations to the Company and should take measures to avoid any conflict between their own interests and the interests of the Company, and should not use their powers to gain an improper advantage.

Directors owe a duty of diligence to the Company and shall exercise the reasonable care normally expected of a manager in the best interests of the Company during the performance of their duties.

**Article 100**

A director shall comply with the provisions of laws, administrative regulations and the Articles of Association and has the following fiduciary obligations to the Company:

- (I) not to exploit his/her position to accept bribes or to obtain other illegal income, and not to expropriate the Company's property;
- (II) not to misappropriate the Company's funds;
- (III) not to open any account in his own name or in others' name for the deposit of the Company's assets or funds;
- (IV) not to violate the provisions of the Articles of Association by lending the Company's funds to others or using the Company's assets to provide guarantee for others without the consent of the shareholders' general meeting or the Board of Directors;
- (V) not to accept commissions in connection with the Company's transactions as his/her own;
- (VI) not to disclose the secrets of the Company without authorization, not to disclose material information that has not yet been disclosed, or not to use inside information to obtain illegal benefits, and to perform the non-compete obligations agreed with the Company after leaving the Company;
- (VII) not to make use of their related-party relationship to harm the interests of the Company;
- (VIII) to safeguard the interests of the Company and all shareholders, and not to harm the interests of the Company for the interests of the actual controllers, shareholders, employees, himself/herself or other third parties;
- (IX) to be bound by other fiduciary obligations stipulated by the laws, administrative regulations, departmental regulations, securities regulatory rules of the places where the Company's shares are listed and the Articles of Association.



Any gain arising from the breach of the provisions of this Article by the director shall belong to the Company. He/She shall be liable for compensation for any loss of the Company arising therefrom.

**Article 101**

Where any director directly or indirectly concludes a contract or conducts a transaction with the Company, he/she shall report the matters relating to the conclusion of the contract or transaction to the Board of Directors or the shareholders' general meeting, which shall be subject to the resolution of the Board of Directors or shareholders' general meeting according to the provisions of laws, regulations, the securities regulatory rules of the places where the Company's shares are listed, and the provisions of the Articles of Association.

Where any of the near relatives of the directors or any of the enterprises directly or indirectly controlled by the directors or any of their near relatives, or any of the related parties who has any other related-party relationship with the directors concludes a contract or conducts a transaction with the Company, the provisions of the preceding paragraph shall apply.

**Article 102**

No director may take advantage of his/her position to seek any business opportunity that belongs to the Company for himself/herself or any other person except under any of the following circumstances:

- (I) where he/she has reported to the Board of Directors or the shareholders' general meeting and has been approved by a resolution of the Board of Directors or the shareholders' general meeting according to the provisions of the Articles of Association;
- (II) where the company cannot make use of the business opportunity as stipulated by the provisions of laws, administrative regulations or the Articles of Association.

**Article 103**

Subject to the provisions of laws, regulations and securities regulatory rules of the places where the Company's shares are listed, any director fails to report to the Board of Directors or the shareholders' general meeting and has not obtained an approval by resolution of the Board of Directors or the shareholders' general meeting according to the provisions of the Articles of Association, he/she may not engage in any business that is similar to that of the Company for himself/herself or for any other person.

**Article 104**

Any gain arising from the breach of the Articles 100 to 103 of the Articles of Association by the director shall belong to the Company.

**Article 105**

A director shall comply with the laws, administrative regulations and the Articles of Association and shall perform the following duties of diligence to the Company:

- (I) to exercise prudently, conscientiously and diligently the rights granted by the Company to ensure the Company's commercial acts in compliance with laws, administrative regulations and the requirements of economic policies of China and that its commercial activities are within the scope stipulated in the business license;
- (II) to treat all shareholders equally;
- (III) to understand the business operation and management of the Company in a timely manner and report relevant issues and risks to the Board of Directors in a timely manner, and not to claim exemption from liability on the grounds that he/she is not familiar with the Company's business or do not understand relevant matters;
- (IV) to sign written confirmation on regular reports of the Company and to ensure the integrity, accuracy and completeness of the information disclosed by the Company;
- (V) to provide relevant information and materials to the Board of Supervisors truthfully and not to intervene the performance of the Board of Supervisors or Supervisors of their duties and powers;
- (VI) to ensure that there is sufficient time and energy to participate in the affairs of the Company, and prudently judge the risks and benefits that may arise from the matters under consideration; to attend the meetings of the Board of Directors in person in principle, and if other directors are authorized to attend on his/her behalf for any reason, the trustee shall be carefully selected, and the authorization matters and decision-making intentions shall be specific and clear, and shall not be fully delegated;
- (VII) Shall actively promote the compliant operation of the Company, supervise the Company's performance of its information disclosure obligations, promptly correct and report on the Company's violations of law and regulations, and support the Company's performance of its social responsibilities;

(VIII) Other duty of diligence stipulated by laws, administrative regulations, departmental rules, securities regulations and rules of the places where the shares of the Company are listed and the Articles of Association.

**Article 106** A director who fails to attend two consecutive meetings of the Board of Directors in person without authorizing another director to attend on his behalf, shall be deemed to be unable to perform his duties. The Board of Directors shall propose to the shareholders' general meeting to remove such director.

**Article 107** A director may resign before expiry of his term of office. A resigning director shall submit a written resignation report to the Board of Directors. The Board of Directors shall make disclosure of relevant information within 2 days.

Where the number of members of the Board of Directors falls below the minimum requirement due to the resignation of any director, before a newly elected director takes office, the original director shall perform his duties as a director in accordance with the laws, administrative regulations, departmental rules and the Articles of Association.

Except for the circumstances set out in the preceding paragraph, the resignation of a director shall take effect when the resignation report is delivered to the Board of Directors.

**Article 108** The shareholders' general meeting may remove any director by a resolution, which shall come into effect from the date on which such resolution is made.

**Article 109** When a director's tender of resignation or his term of office expires, he shall duly complete all handover procedures with the Board of Directors. His fiduciary duties towards the Company and shareholders will not necessarily cease after the expiry of his term of office and will remain valid for a reasonable period of time as provided in the Articles of Association. His obligation to keep trade secrets of the Company confidential shall remain effective after the expiry of his term of office until such secrets become public information. The specific period of time during which a director's fiduciary duties are assumed after the effective date of resignation or expiration of the term of office is one year from the effective date of resignation or expiration of the term of office. The period that other duties shall continue shall be determined according to the principle of fairness, and depending on the length of time lapsed between the event

occurred and the termination of tenure as well as the circumstances and terms under which his relationships with the Company has been terminated.

**Article 110** Unless provided for under the Articles of Association or legally authorized by the Board of Directors, no director may act in his own capacity on behalf of the Company or the Board of Directors. When a director acts in his own capacity and a third party would reasonably believe that the director is acting on behalf of the Company or the Board of Directors, the director shall declare his position and capacity in advance.

**Article 111** If a director violates laws, administrative regulations, departmental rules, securities regulations and rules of the places where the shares of the Company are listed or the provisions of the Articles of Association when performing his duties and causes losses to the Company, he shall be liable for compensation. A director in office shall be liable for compensation for any loss caused to the Company by his leaving office without authorization or failing to perform his duties.

**Article 112** The independent non-executive directors shall be subject to the relevant provisions of the laws, administrative regulations, departmental rules, the CSRC and the stock exchanges of the places where the shares of the Company are listed.

## **Section 2 Board of Directors**

**Article 113** The Company shall have a Board of Directors, which shall be accountable to the shareholders' general meeting.

**Article 114** The Board of Directors shall consist of nine directors, including three independent non-executive directors, one chairman and one vice-chairman. At least one of the independent non-executive directors shall be a financial or accounting professional as determined by the Listing Rules of the Stock Exchange.

**Article 115** The Board of Directors shall exercise the following functions and powers:

- (I) Convene shareholders' general meetings and submit work reports to the shareholders' general meetings;
- (II) Implement resolutions of the shareholders' general meetings;
- (III) Determine the business plans and investment plans of the Company;

- (IV) Formulate the Company's annual financial budget and final accounts;
- (V) Formulate the Company's profit distribution plan and loss recovery plan;
- (VI) Formulate plans for the Company for increase or reduction of registered capital, issuance of bonds or other securities, and listing;
- (VII) Formulate plans for major acquisitions of the Company, repurchase of the Company's shares, or plans for merger, division, dissolution and change of corporate form;
- (VIII) Within the scope authorized by the shareholders' general meeting, decide on matters such as the Company's external investment, acquisition and sale of assets, asset pledges, external guarantees, entrusted financial management, connected transactions and external donations;
- (IX) Decide on the establishment of the Company's internal management body;
- (X) Decide on the appointment or dismissal of the Company's general manager and secretary to the Board of Directors, and decide on the matters in relation to their remuneration, rewards and punishments; decide on the appointment or dismissal of the Company's vice general manager, finance chief (financial director) and other members of the senior management based on the nomination of the general manager, and decide on matters in relation to their remuneration, reward and punishment;
- (XI) Formulate the Company's basic management system;
- (XII) Formulate proposed amendments to the Articles of Association;
- (XIII) Manage the Company's information disclosure matters;
- (XIV) Make proposal to the shareholders' general meeting on the engagement or change of the accounting firm performing audits for the Company;
- (XV) Listening to the work reports from the general manager of the Company and review the work of the general manager;

- (XVI) Consider matters that shall be decided by the Board of directors as provided by laws, administrative regulations, departmental rules, securities regulations and rules of the places where the Company's shares are listed or the Articles of Association;
- (XVII) Other powers conferred by laws, administrative regulations, departmental rules, securities regulations and rules of the places where the Company's shares are listed or the Articles of Association.

The limitation of the functions and powers of the Board of Directors in the Articles of Association shall not be against a bona fide counterpart.

The Board of Directors of the Company shall establish an audit committee, a remuneration and assessment committee, a nomination committee and may set up relevant special committees such as strategy committee according to its needs. The special committees shall be 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. The proposals of the committees shall be submitted to the Board of Directors for approval. All members of the special committees shall be directors, among which the audit committee shall only be non-executive directors and consist of at least three members. The majority of the members of the audit committee, the nomination committee, and the remuneration and assessment committee must be independent non-executive directors, and the convener of each of them must be an independent non-executive director. The convener of the audit committee shall be an accounting professional. The Board of Directors is responsible for formulating the rules of the special committees to regulate their operation.

Matters exceeding the scope authorized by the shareholders' general meeting shall be submitted to the shareholders' general meeting for consideration.

**Article 116**

The Company's Board of Directors shall explain to the shareholders' general meeting about the non-standard audit opinions issued by certified public accountants on the Company's financial report.

**Article 117** The Board of Directors shall formulate the rules of procedure for the board meetings to ensure that the Board of Directors will implement the resolutions of the shareholders' general meetings, improve work efficiency and ensure scientific decision-making. The rules of procedure for the Board of Directors shall serve as an annex to the Articles of Association and shall be formulated by the Board of Directors and approved by the shareholders' general meeting.

**Article 118** The Board of Directors shall determine the scope of authority for matters such as external investment, acquisition and sale of assets, asset pledges, external guarantees, entrusted financial management, connected transactions and external donations, and establish strict review and decision-making procedures; for major investment projects, relevant experts and professionals shall be arranged to conduct reviews and it shall be reported to the shareholders' general meeting for approval.

**Article 119** The Board of Directors shall have one chairman and one vice chairman. The chairman and vice-chairmen shall be elected by more than half of all the directors of the Board of Directors.

**Article 120** The chairman of the Board of Directors shall exercise the following functions and powers:

- (I) Preside over the shareholders' general meetings and convene and preside over meetings of the Board of Directors;
- (II) Supervise and inspect the implementation of resolutions of the Board of Directors;
- (III) Other powers conferred by the Board of Directors.

The authorization to the chairman of the Board of Directors by the Board of Directors shall be granted clearly in the way of a resolution of the Board of Directors, which shall state the particular of authorization matters, content and authority clearly. Matters that involve material interest of the Company shall be decided by the Board of Directors collectively, and shall not authorized the chairman of the Board of Directors or individual directors to decide on his own.

**Article 121** The vice-chairman of the Company shall assist the chairman of the Board of Directors in his work. If the chairman of the Board of Directors is unable to perform his duties or fails to perform his duties, the vice-chairman shall perform his duties; if the vice-chairman is unable to perform his duties or fails to perform his duties, one director jointly elected by more than half of the directors shall perform his duties.

**Article 122** Regular meetings of the Board of Directors shall be convened at least four times a year, about one meeting each quarter, which shall be convened by the chairman of the Board of Directors and shall notify all directors and supervisors in writing 14 days prior to the meeting.

**Article 123** Shareholders representing more than one-tenth of the voting rights, more than one-third of the directors or the Supervisory Committee may propose to convene an extraordinary board meeting. The chairman of the Board of Directors shall convene and preside over a board meeting within ten days after receiving the proposal.

**Article 124** Notice of an extraordinary board meeting convened by the Board of Directors shall be served in writing for three days in advance. In the case of no objection from the attending directors or of an emergency, the notice of meeting may be given by telephone or by other verbal means at any time, without being limited by the time limit of the above notice.

**Article 125** A notice of board meeting shall contain the following:

- (I) date and venue of the meeting;
- (II) duration of the meeting;
- (III) reasons and issues for discussion;
- (IV) date of notice.

**Article 126** The board meeting shall be held only when more than half of the directors are present. Resolutions made by the Board of Directors must be passed by more than half of all directors.

Resolutions of the Board of Directors are voted by way of poll with each director having one vote.

The following matters shall be approved by a majority of all members of the Audit Committee before the Board of Directors making a resolution:

- (i) the appointment and dismissal of the accounting firm that undertakes the Company's auditing business;
- (ii) the appointment and dismissal of financial officer(s);
- (iii) the disclosure of financial and accounting reports;
- (iv) other matters stipulated by the securities regulatory authority of the State Council.



**Article 127** Where a director is related to the enterprise or individual involved in a resolution of the meeting of the Board of Directors, such director shall submit a written report to the Board of Directors in a timely manner. Any director with any connected relationship shall neither exercise his/her voting rights nor exercise another director's voting rights as a proxy. Such meeting of the Board shall be held only when attended by more than half of the directors unconnected, and the resolution of the meeting of the Board of Directors shall be approved by more than half of such unconnected directors. In case of less than three unconnected directors present at the meeting, such matter shall be submitted to the shareholders' general meeting for deliberation. If there are any additional restrictions on directors' participation in meetings of the Board and voting in the laws and regulations and the securities regulatory rules of the place where the Company's shares are listed, such provisions shall prevail.

**Article 128** The resolution of the Board of Directors shall be voted by open ballot or by a show of hands.

On the premise that the directors can fully express their opinions, the extraordinary meeting of the Board of Directors may be held and pass resolutions by means of communication, with the resolutions signed by the attending directors, provided that the resolutions and records of the Board of Directors shall be signed afterwards.

**Article 129** A director shall attend the meeting of the Board of Directors in person. If a director is unable to attend a meeting of the Board, he/she may appoint another director by a written power of attorney to attend on his/her behalf. Such a power of attorney shall specify the name of the proxy, the matters to be represented, the scope of authorization and the expiration date, and shall be signed or sealed by the principal. A director appointed as the representative of another director to attend the meeting shall exercise the rights of a director within the scope of authorization. Where a director is unable to attend a board meeting and has not appointed a proxy to attend the meeting on his/her behalf, he/she shall be deemed to have waived his/her right to vote at the meeting.

**Article 130** The Board of Directors shall cause minutes to be kept for decisions made in relation to matters considered at the meetings, and the minutes shall be signed by the directors attending the meeting.

Minutes of the meeting of the Board of Directors shall be kept as the Company's files for a period of at least 10 years.

The directors shall be responsible for the resolutions passed at the meeting of the Board of Directors. Where a resolution of the Board of Directors violates any law, administrative regulation or the Articles of Association, thereby causing serious losses to the Company, the directors participating in the resolution shall be liable for compensation to the Company; however, the director may be exempted from liability if it is proved that he/she expressed his/her objection at the time of voting, which is recorded in the minutes of the meeting.

**Article 131**

The minutes of the meeting of the Board of Directors shall include the following contents:

- (i) the date, venue and convener's name of the meeting;
- (ii) the names of directors present at the meeting and directors (proxies) present at such meeting on behalf of other directors;
- (iii) the agenda of the meeting;
- (iv) the summary of points raised by directors;
- (v) the manner and result of voting on each matter resolved (and the voting results shall set out the number of affirmative, negative and abstention votes on a particular resolution);
- (vi) other matters that the directors present at the meeting deem necessary to be recorded.

## **CHAPTER 6 GENERAL MANAGER AND OTHER MEMBERS OF THE SENIOR MANAGEMENT**

**Article 132** The Company shall have one general manager, who shall be appointed or dismissed by the Board of Directors and shall be responsible to the Board of Directors.

The Company shall have several deputy general managers, one financial officer (chief financial officer), one secretary to the Board of Directors, one chief scientific officer, and one chief marketing officer. The deputy general managers, financial officer (chief financial officer), chief scientific officer and chief marketing officer shall be nominated by the general manager, and the secretary to the Board of Directors shall be nominated by the chairperson of the Board, all of whom shall be appointed or dismissed by the Board of Directors.

The general manager, deputy general managers, financial officer (chief financial officer), secretary to the Board of Directors, chief scientific officer and chief marketing officer shall serve as senior management of the Company.

**Article 133** The circumstances of disqualification for directors prescribed in Article 97 of the Articles of Association shall be applicable to senior management.

Provisions regarding the duty of fidelity of directors under Article 100 and of diligence of directors under items (iv), (v) and (vi) of Article 105 hereof shall be applicable to senior management.

**Article 134** Any person who takes an administrative role other than a director or a supervisor in the controlling shareholders of the Company shall not serve as a senior management of the Company.

The senior management only receive remuneration from the Company, shall not be paid by the controlling shareholders on its behalf.

**Article 135** The term of office of the general manager shall be three years, renewable upon reappointment.

**Article 136** The general manager shall be accountable to the Board of Directors and exercise the following powers:

- (i) to be in charge of the production, operation and management of the Company, organise the implementation of the resolutions of the Board of Directors and report to the Board of Directors;
- (ii) to organise the implementation of the Company's annual business plan and investment plan;

- (iii) to draft plans for the establishment of the Company's internal management structure;
- (iv) to draft the basic management system of the Company;
- (v) to formulate the specific rules and regulations of the Company;
- (vi) to propose to the board of directors to appoint or dismiss deputy general managers and financial controller of the Company;
- (vii) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;
- (viii) to exercise other powers conferred by the Articles of Association or the Board of Directors.

The general manager shall be present at board meetings without voting rights.

**Article 137** The general manager shall formulate the working rules of the general manager, which shall be implemented after being approved by the Board of Directors.

**Article 138** The general manager's working rules include the following contents:

- (i) convening conditions, procedures and participants of the general manager's office meeting;
- (ii) responsibilities and work allocation of the general manager and other senior management;
- (iii) use of funds and assets of the Company, scope of authority to enter into material contracts and policies regarding reporting to the Board of Directors and the Board of Supervisors;
- (iv) other matters which the board of directors deems necessary.

**Article 139** The general manager may resign before expiry of his/her term of office. The specific procedures and methods for the resignation of the general manager shall be specified in the service contract concluded by the general manager and the Company.

**Article 140** The deputy general managers assist the general manager in his/her work and are responsible to the general manager, and are entrusted by the general manager to take charge of the relevant work and to issue relevant business documents within the scope of their duties. When the general manager is unable to perform his/her duties, a deputy general manager may be entrusted by the general manager to perform the duties of the general manager.

**Article 141** The Company shall have a secretary to the Board of Directors, who shall be responsible for the preparation of the shareholders' general meetings and meetings of the Board of the Company, keeping of documents, management of shareholders' information of the Company and handling matters such as information disclosure.

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

**Article 142** If any senior management violates laws, administrative regulations, departmental rules or the Articles of Association when performing his/her duties in the Company, such senior management shall indemnify the Company against losses incurred due to such violation.

**Article 143** Senior management of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all the shareholders. If the Company's senior management fail to faithfully perform their duties or violate their fiduciary duties, causing damage to the interests of the Company and public shareholders, they shall be liable for compensation in accordance with the law.

## CHAPTER 7 BOARD OF SUPERVISORS

### Section 1 Supervisors

**Article 144** The circumstances of disqualification for directors prescribed in Article 97 of the Articles of Association shall be applicable to supervisors.

The directors, general manager and other senior management of the Company shall not act concurrently as supervisors.

**Article 145** The supervisors shall comply with laws, administrative regulations and the Articles of Association, and shall bear the duty of fidelity and duty of diligence to the Company. They shall not use their powers to accept bribes or other illegal income, nor shall they embezzle the Company's property.

**Article 146** Each term of office of a supervisor is three years and he/she may serve consecutive terms if re-elected.

**Article 147** A supervisor shall continue to perform his/her duties in accordance with the laws, administrative regulations and the Articles of Association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office, or if the resignation of supervisor results in the number of supervisors being less than the quorum.

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

**Article 148** A supervisor shall ensure that information disclosed by the Company is true, accurate and complete and he/she shall sign on the periodical report with written confirmation.

**Article 149** Supervisors may attend the meetings of the Board and may raise queries or proposals regarding matters resolved at such meetings.

**Article 150** Supervisors shall not prejudice the interests of the Company by means of their connected relationship or they shall be liable for compensation for any loss caused to the Company.

**Article 151** If any supervisor violates laws, administrative regulations, departmental rules or the Articles of Association when performing his/her duties in the Company, such supervisor shall indemnify the Company against losses incurred due to such violation.

## **Section 2 Board of Supervisors**

### **Article 152**

The Company has a Board of Supervisors composed of three members. The Board of Supervisors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman of the Board of Supervisors are elected with approval of more than half of all the supervisors. The chairman of the Board of Supervisors shall convene and preside over the meetings of the Board of Supervisors. In the event that the chairman of the Board of Supervisors is incapable of performing or not performing his/her duties, the vice chairman of the Board of Supervisors shall convene and preside over the meetings of the Board of Supervisors. In the event that the vice chairman of the Board of Supervisors is incapable of performing or not performing his/her duties, a supervisor nominated by more than half of the supervisors shall convene and preside over the meetings of the Board of Supervisors.

The Board of Supervisors shall consist of representatives of the shareholders and an appropriate proportion of representatives of the employees of the Company, provided that the proportion of representatives of the employees shall not be less than one third of the supervisors. Representatives of the employees of the Company in the Board of Supervisors shall be democratically elected by the employees at the employee representatives' meeting, employees meeting or otherwise.

### **Article 153**

The Board of Supervisors exercises the following powers:

- (I) to review the Company's periodical reports prepared by the Board of Directors and issue written opinions;
- (II) to review the Company's financial position;
- (III) to supervise the directors and senior management staff in their performance of their duties and to propose the removal of directors and senior management who have violated laws, regulations, the Articles of Association or the resolutions of shareholders' general meeting;
- (IV) when the acts of directors and senior management staff are harmful to the Company's interests, to require correction of those acts;

- (V) to propose the convening of extraordinary shareholders' general meetings and to convene and preside over shareholders' general meetings when the Board of Directors fails to perform the duty of convening and presiding over shareholders' general meetings under the Company Law;
- (VI) to initiate proposals for resolutions to shareholders' general meetings;
- (VII) to initiate proceedings against directors and senior management staff according to Section 189 of the Company Law;
- (VIII) to conduct an investigation in the event of discovering any irregularities in the Company's operations and to engage accounting firms, law firms and other professional institutions to assist in the investigation when necessary at the expense of the Company;
- (IX) to require directors and senior management staff to submit reports on the performance of their duties. The directors and senior management staff shall provide true information and data to the Board of Supervisors and not interfering with the Board of Supervisors or supervisors in the exercise of their functions and powers;
- (X) other powers as stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place(s) where shares of the Company are listed, and the Articles of Association.

**Article 154**

The Board of Supervisors of the Company shall hold at least one meeting every six months. The supervisors may propose to convene an extraordinary meeting of the Board of Supervisors.

A resolution of the Board of Supervisors shall be passed by more than half of all the supervisors on the basis of one man one vote principle.

**Article 155**

The Board of Supervisors shall formulate rules of procedure for meetings of the Board of Supervisors and shall clarify methods for business discussions and voting procedures to ensure the work efficiency and scientific decision making of the Board of Supervisors.

The rules of procedure for meetings of the Board of Supervisors shall be appendix to the Articles of Association and shall be formulated by the Board of Supervisors and approved by the general meeting.



**Article 156**

The Board of Supervisors shall file resolutions as meeting minutes, which shall be signed by the attending supervisors. Any supervisor shall have the right to have an explanatory note made in the minutes regarding his speech at the meeting. The minutes of meetings of the Board of Supervisors shall be kept as archives of the Company for at least 10 years.

**Article 157**

The notice of meetings of the Board of Supervisors shall specify:

- (I) the date, venue and duration of the meeting;
- (II) the reasons and agenda of the meeting;
- (III) the date of notice given.

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

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

**Article 158** The Company shall establish its financial and accounting systems in accordance with the laws and administrative regulations and the requirements of the relevant governmental authorities. The accounting year of the Company follows the Gregorian calendar, which an accounting year shall commence on January 1 and ends on December 31 each year.

**Article 159** The annual report shall be reported and disclosed in accordance with relevant regulatory requirements within 4 months from the end of each financial year. The interim financial report shall be reported and disclosed in accordance with relevant regulatory requirements within 2 months from the end of the first six months of each financial year.

The aforesaid annual report and interim report shall be prepared in accordance with relevant laws, administrative regulations, departmental regulations and the provisions of the stock exchange where the shares are listed.

**Article 160** Except for the legally prescribed accounting books, the Company shall not set up other accounting books. The funds of the Company shall not be kept under the name of any individual.

**Article 161** In the distribution of the profit after tax of the year, 10% of the profit shall be contributed to statutory reserve of the Company. When the aggregate statutory reserve of the Company has reached 50% or more of the registered capital, the Company may cease to make further contribution.

Where the statutory reserve is insufficient to recover the losses for the previous year, the losses shall be made up by the profits of that year before contributing to the statutory reserves as stipulated above.

Subject to the resolution of the general meeting, the Company may also appropriate fund to discretionary surplus reserve from profit after tax upon the appropriate of fund to statutory reserve.

The Company may distribute profits after tax in accordance with the proportion of shareholdings after making up for losses and making allocations to reserves, except as otherwise provided in the Articles of Association.

If the general meeting violates the Company Law and profits are distributed to the shareholders before the Company making up for losses and making allocations to the statutory reserve, the profits distributed in violation of the provisions shall be returned to the Company by such shareholders; and the shareholders and the liable directors, supervisors and senior management staff shall be liable for compensation if any loss is caused to the Company.

The Company's shares held by the Company are not entitled to any profit distribution.

The Company shall appoint one or more payment receiving agents in Hong Kong for shareholders of H shares. The payment receiving agent shall receive and hold on behalf of such shareholders of H shares any dividends allocated to H shares and other amounts payable by the Company, for future payments to such shareholders of H shares. The payment receiving agent appointed by the Company shall satisfy the requirements under the laws and regulations and the securities regulations and rules of the places where the Company's shares are listed.

**Article 162**

The Company's reserves shall be used for offsetting losses of the Company, expanding the production and operation or for conversion into capital to increase capital. Where the reserve of the Company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. Where the statutory reserve is converted to increase registered capital, the remaining statutory reserve shall not be less than 25% of the registered capital of the Company before such conversion.

## **Article 163**

Profit distribution policy of the Company:

### **(i) Principle for profit distribution**

From the perspective of sustainable development and after comprehensive consideration of the actual business development, social capital costs, and financing environment of the Company, it has established a sustainable, stable, scientific, and predictable plan and mechanism of returns for investors. The Company has further made positive and clear institutional arrangements against profit distribution, in order to ensure both continuity and stability of the profit distribution policy.

### **(ii) Form of profit distribution**

The Company may distribute dividends in cash, in shares, in combination of cash and shares or other lawful methods and shall give priority to distributing dividends in cash, but the distribution of profits shall not exceed the range of cumulative distributable profits. Subject to meeting the Company's planned cash expenditures, the Company may distribute interim dividends in cash based on the current operating profits and cash flow conditions.

Where the Company intends to present shares or convert capital reserve into capital stock, the financial and accounting reports of the semi-annual or quarterly reports shall be audited. Where the Company pays only cash dividends, this audit can be exempted.

### **(iii) Profit distribution conditions and cash dividend ratio**

The distribution of cash dividends by the Company shall be subject to the following conditions:

1. Profits realized in the period for distribution;
2. There is no unrecovered loss from previous years in the period for distribution;
3. The Company's cash flow shall be sufficient to satisfy the demand for its ongoing operations and long-term development.

Where the above conditions are satisfied, the Company's accumulated distribution of cash dividends over the last three years shall not be less than 30% of the average annual

distributable profits for the last three years in principle, and the Company shall distribute cash dividends at least once every three consecutive years.

Where stock dividends are distributed at the same time, the Board of Directors shall propose differentiated cash dividend policy, taking into account factors such as the industrial characteristics, development stages, business models, profitability, and the possibility of major capital expenditure arrangements, as the case may be:

1. If the Company has developed into its maturation stage and has no major capital expenditure arrangements, the minimum proportion of cash dividend in the profit distribution shall reach 80%;
2. If the Company has developed into its maturation stage and has major capital expenditure arrangement(s), the minimum proportion of cash dividend in the profit distribution shall reach 40%;
3. If the Company has developed into its growth stage and has major capital expenditure arrangement(s), the minimum proportion of cash dividend in the profit distribution shall reach 20%;

Where it is difficult to distinguish its development stage but there are major capital expenditure arrangements, the profit distribution shall be subject to the preceding paragraph.

**(iv) Conditions for distribution of stock dividends**

The Company distributes dividends mainly in cash. Besides fulfilling the cash dividends above, the Board of Directors may propose a profit distribution proposal for granting stock dividends to the shareholders' general meeting for consideration, insofar as the Company complies with the said provisions on cash dividend and its operating income is growing rapidly, and to the extent that distribution of stock dividends is beneficial to the interests of all shareholders of the Company due to the imbalance between the share price and the size of its share capital.

**(v) Protection of public investors**

Where a shareholder misappropriates the Company's funds in violation of the regulations, the Company shall deduct the cash dividends distributed to the shareholder to repay the funds he/she misappropriates.

**(vi) Decision-making mechanism of the profit distribution proposal**

1. Demonstration procedures and decision-making mechanism of the profit distribution policy of the Company

(1) Subject to the development stages of the Company, the current operating conditions, and the capital demand plan for project investment, the Board of Directors shall properly dispose of the short- and long-term relationships of the Company on the basis of fully considering the interests of shareholders, and determine reasonable profit distribution proposals for this purpose.

(2) The Board of Directors is responsible for formulating the profit distribution proposal. It is also the Board of Directors that shall put forward feasible profit distribution proposals building on the Company's financial and operating conditions.

(3) Independent non-executive directors shall, prior to the board meeting regarding profit distribution, put forward clear opinions on profit distribution proposals. If a profit distribution proposal is approved, the proposal shall be passed by more than half of the independent non-executive directors. Otherwise, the independent non-executive directors shall render the facts and reasons for their objection, requesting the Board of Directors to reformulate profit distribution proposals.

Independent non-executive directors can propose dividend proposals by soliciting opinions from minority shareholders and directly submitting the proposals to the Board of Directors for consideration.

- (4) The Board of Supervisors shall give clear opinions on profit distribution proposals, and if it agrees with a profit distribution proposal, a resolution shall be formed for this purpose. Otherwise, the Board of Supervisors shall render the facts and reasons for their objection, suggesting that the Board of Directors reformulate profit distribution proposals. The Board of Supervisors may, when necessary, call for the convening of shareholders' general meeting.
- (5) If a profit distribution proposal is approved through the foregoing procedures, it will be submitted to the shareholders' general meeting for consideration by the Board of Directors. Whenever the shareholders' general meeting deliberates an adjustment plan for the profit distribution policy, the Company shall offer convenience for public investors to attend the shareholders' general meeting by providing Internet or other means as per relevant regulations of the stock exchange(s) of the place(s) in which the shares of the Company are listed.

2. Decision-making procedure for adjusting the profit distribution policy

If the profit distribution policy should be adjusted due to major changes in the external business environment or business conditions of the Company, the Company may adjust the profit distribution policy, provided, however, that any profit distribution policy so adjusted must not go against the regulations of the CSRC and the Shanghai Stock Exchange.

- (1) The Strategy Committee under the Board of Directors shall formulate the adjustment plans for the profit distribution policy, fully demonstrate the necessity of the adjustment, and elaborate on the purpose of profit retention. Then, the Board of Directors may implement the compensation plan for cash dividends in the previous years when the Company becomes more profitable, in order to ensure that the shareholders receive cash dividends on a continuous basis.

- (2) Independent non-executive directors of the Company shall put forward clear opinions on profit distribution proposals. A profit distribution proposal shall be passed by more than half of the independent non-executive directors. Otherwise, the independent non-executive directors shall render the facts and reasons for their objection, requesting the Board of Directors to reformulate adjustment plans for profit distribution policy. Independent non-executive directors may, when necessary, call for the convening of shareholders' general meeting.
- (3) The Board of Supervisors shall give clear opinions on adjustment plans for the profit distribution policy, and if it agrees with an adjustment plan, a resolution shall be formed for this purpose. Otherwise, the Board of Supervisors shall render the facts and reasons for their objection, suggesting that the Board of Directors reformulate adjustment plans for profit distribution policy. The Board of Supervisors may, when necessary, call for the convening of shareholders' general meeting
- (4) Any adjustment plan for the profit distribution policy shall be passed by votes representing more than two-thirds of the voting rights represented by the shareholders (including their proxies) present at the meeting. When serving the notice of holding the shareholders' general meeting, the opinions of the independent non-executive directors and the Board of Supervisors shall be announced. Whenever the shareholders' general meeting deliberates an adjustment plan for the profit distribution policy, the Company shall offer convenience for public investors to attend the shareholders' general meeting by providing Internet or other means as per relevant regulations of the stock exchange(s) of the place(s) in which the shares of the Company are listed.

**(vii) Implementation of profit distribution proposals**

After the profit distribution proposal has been approved at the Company's shareholders' general meeting, the Board of Directors shall complete distribution of profits within two months after the shareholders' general meeting.



## **Section 2 Internal Audit**

**Article 164** The Company shall implement an internal audit system. It shall engage full-time audit personnel to perform internal audit and supervision on the Company's financial income and expenses and economic activities.

**Article 165** The internal audit system and the responsibilities of the audit personnel of the Company shall take effect upon approval by the Board of Directors. The head of audit shall be accountable to and report directly to the Board of Directors.

## **Section 3 Appointment of Accounting Firm**

**Article 166** The Company shall engage an accounting firm which complies with the Securities Law to audit financial statements, verify net assets and provide other related consulting services, etc. The term of appointment shall be one year from the end of the current shareholders' annual meeting of the Company until the end of the next shareholders' annual meeting, which is renewable.

**Article 167** The appointment of an accounting firm by the Company shall be decided by the shareholders' general meeting. The Board may not appoint an accounting firm before the decision is made by the shareholders' general meeting, otherwise required under the Articles of Association.

**Article 168** The Company guarantees that it will provide the accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information without any rejection, omission or falsehood.

**Article 169** The audit fee of an accounting firm shall be decided by the shareholders' general meeting.

**Article 170** In the event of removal or non-renewal of appointment of an accounting firm, the Company shall notify the accounting firm 30 days in advance. The accounting firm shall be entitled to make representations when the resolution regarding the removal of the accounting firm is considered at the shareholders' general meeting of the Company.

Where the accounting firm resigns, it shall make clear to the shareholders' general meeting whether there is any impropriety on the part of the Company.

## CHAPTER 9 NOTICE AND ANNOUNCEMENT

### Section 1 Notice

**Article 171** A notice of the Company shall be made in the following forms:

- (I) by hand;
- (II) by post;
- (III) by fax or email;
- (IV) by announcements;
- (V) by other means stipulated in the Articles of Association.

**Article 172** Where a notice is served by way of announcement, upon the publication of such announcement, all relevant persons shall be deemed to have received the notice.

**Article 173** Notice of shareholders' general meeting of the Company shall be given by hand, post, fax or announcement. Unless the context otherwise requires, in respect of an announcement issued to the holders of H Shares or issued in Hong Kong as required under the relevant regulations and the Articles of Association, the announcement shall be published on the Company's website, the website of the Hong Kong Stock Exchange, and other websites as stipulated by the Hong Kong Listing Rules from time to time in accordance with the relevant requirements of the Hong Kong Listing Rules.

Under the premise of the Company's compliance with the relevant listing rules of the place(s) in which the shares of the Company are listed, regarding the provision and/or distribution of corporate communications by the Company to holders of H Shares in accordance with requirements of such listing rules, the Company may also provide or distribute corporate communications to H Shares holders by electronic means or by publishing on the Company's website or the website of the stock exchange(s) of the place(s) in which the shares of the Company are listed, in lieu of delivery by hand or prepaid mail.

Corporate communications referred to in the preceding article means any document issued or to be issued by the Company for the information or action of any holder of H shares of the Company or other individuals required under the Hong Kong Listing Rules, including but not limited to:

1. the annual report of the Company (including the report of the Directors, annual financial statements, the auditors' report, the auditing report and the financial summary of the Company (if applicable));
2. the interim report and the summary of the interim report of the Company (if applicable);
3. notices of meetings;
4. listing documents;
5. circulars;
6. proxy forms (as defined in the listing rules of the stock exchange(s) of the place(s) in which the shares of the Company are listed).

**Article 174** Notice of convening the meeting of the Board of Directors of the Company shall be served by hand, post, email, fax or announcement.

**Article 175** Notice of convening the meeting of the Board of Supervisors of the Company shall be served by hand, post, email, fax or announcement.

**Article 176** Where the Company's notice is delivered by hand, the recipient shall sign (or seal) on the receipt of delivery and the day of service shall be the day of the receipt as signed by the recipient. Where the Company's notice is delivered by post, the day of service shall be the third working day since the day when the notice is handed over to the post office. Where a Company notice is delivered by fax, the day of service shall be the day on which such notice is dispatched. Where a Company notice is delivered by email, the day of service shall be the day when the email enters the mailbox system designated by the person to be served. Where a Company notice is delivered by way of an announcement, the day of service shall be the day when the announcement is first published.

**Article 177** Where a meeting notice is not sent to a person who is entitled to receive such notice due to accidental omission or such person fails to receive the meeting notice, the meeting and the resolutions made in such meeting shall not be null and void therefore.

## **Section 2 Announcement**

**Article 178** The Company shall designate media/websites recognised by the stock exchange where the Company's shares are listed, such as the HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)), as the media for publishing the Company's announcements and other information required to be disclosed.

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

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

**Article 179** A merger may be in the form of merger by absorption or merger by establishment of a new company.

In the case of merger by absorption, the company being absorbed shall be dissolved. Merger by establishment of a new company shall refer to the establishment of a new company as a result of merger of two or more companies and the merger parties shall be dissolved.

**Article 180** Where the Company merges with another company in which the former holds not less than 90% of the shares, the acquired company is not required to obtain approval by resolution of its general meeting, but shall notify the other shareholders who have the right to request the company to buy its equities or shares at a reasonable price.

If the price paid for the Company's merger does not exceed 10% of the Company's net assets, approval by resolution of its general meeting may not be required unless otherwise provided by the Articles of Association.

Where the Company's merger is exempted from approval by resolution of the general meeting in the preceding two paragraphs, it shall be subject to approval by resolution of the Board.

**Article 181** In the event of merger, the merger parties shall enter into a merger agreement, and formulate a balance sheet and an inventory list for assets. The Company shall notify its creditors within 10 days from passing of the resolution on merger, and make an announcement on the Qualified Media and the HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)) within 30 days. Creditors may require the Company to repay the debts or to provide corresponding guarantee within 30 days from receipt of notification or within 45 days from the day of announcement if they do not receive the notification.

**Article 182** Upon merger, the creditor's rights and debts of the merger parties shall be succeeded by the company which subsists after the merger or the newly-established company.

**Article 183** In the event of division, assets of the Company shall be divided correspondingly.

In the event of a division, a balance sheet and an inventory list for assets shall be formulated. The Company shall notify its creditors within 10 days from passing of the resolution on division, and make an announcement on the Qualified Media and the HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)) within 30 days.

**Article 184** The companies after division shall bear joint and several liability for debts of the Company prior to the division, except where the written agreement between the Company and its creditors on repayment of debts prior to the division stipulates otherwise.

**Article 185** If the Company needs to reduce its registered capital, it shall formulate a balance sheet and an inventory list for assets.

The Company shall notify its creditors within 10 days from passing of the resolution on reduction of registered capital, and make an announcement on the Qualified Media and the HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)) within 30 days. Creditors are entitled to require the Company to repay the debts or to provide corresponding guarantee within 30 days from receipt of notification or within 45 days from the day of announcement if they do not receive the notification.

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

## **Section 2 Dissolution and Liquidation**

**Article 186** The Company shall be dissolved for the following reasons:

- (I) expiry of term of business stipulated in the Articles of Association or occurrence of any other causes for dissolution stipulated in the Articles of Association;
- (II) a shareholders' general meeting has resolved on the dissolution of the Company;
- (III) as a result of the merger or division of the Company;
- (IV) the Company's business license is revoked, or the Company is ordered to close down or dissolve in accordance with the law;
- (V) when the Company has serious difficulties in its management and the Company's subsistence will cause serious damages to the interests of its shareholders, and where the Company is unable to resolve the difficulties through any other means, the shareholders who hold more than 10% of the voting rights of the Company may apply to the people's court for dissolution of the Company.

On the occurrence of the events of dissolution set out in the preceding paragraph, the Company shall make an announcement on the National Enterprise Credit Information Publicity System within 10 days.

**Article 187**

For the circumstance in item (I) and (II) of Article 186 hereof, and no property has been distributed to shareholders, the Company may continue to subsist by amending the Articles of Association or by resolution of the general meeting.

Amendments to the Articles of Association in accordance with the provisions of the preceding paragraph or by resolution of the general meeting shall be approved by more than two-thirds of the voting rights held by the shareholders attending the general meeting.

**Article 188**

If the Company is dissolved pursuant to item (I), (II), (IV) or (V) of Article 186 of the Articles of Association, it shall be liquidated, and the Directors, being the liquidation obligors shall form a liquidation team for liquidation within 15 days from the date of occurrence of the cause for dissolution. The liquidation team shall consist of members determined by the directors or the shareholders' general meeting.

The liquidation team shall comprise the Directors, unless the Articles of Association provide otherwise or it is resolved at a general meeting to elect another person(s).

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

**Article 189**

Where the Company shall be liquidated in accordance with the provisions of first paragraph of Article 186 of the Articles of Association, and if it fails to establish a liquidation team to carry out liquidation after the expiry of the time limit or fails to carry out liquidation after establishing the liquidation team, the interested parties can apply to the people's court for appointing relevant officers to establish the liquidation team to carry out the liquidation.

**Article 190**

The liquidation team shall exercise the following powers and functions during the liquidation period:

- (i) to liquidate the Company's assets and prepare a balance sheet and an inventory list for assets;
- (ii) to notify creditors and publish announcement;
- (iii) to handle outstanding businesses of the Company related to liquidation;
- (iv) to settle all taxes in arrears and taxes arising in the course of liquidation;
- (v) to liquidate creditor's rights and debts;
- (vi) to allocate the Company's remaining assets after the debts are paid off;
- (vii) to conduct civil lawsuits on behalf of the Company.

**Article 191**

The liquidation team shall, within 10 days from its establishment, notify the creditors, and make an announcement on the Qualified Media and the HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)) within 60 days. The creditors shall declare their creditors' rights to the liquidation team within 30 days from receipt of notification or within 45 days from the day of announcement if they do not receive the notification.

Creditors declaring creditors' rights shall state the relevant information of the creditors' rights and provide proof materials. The liquidation team shall register the creditors' rights.

During the period for declaration of creditors' rights, the liquidation team shall not make repayment to creditors.

**Article 192**

Upon sorting of the Company's assets and formulation of balance sheet and inventory list for assets, the liquidation team shall formulate a liquidation plan and submit it to the shareholders' general meeting or the people's court for confirmation.

After the Company's assets are used respectively for payment of liquidation expenses, employees' wages, social insurance premiums and statutory compensation, payment of tax in arrears and the Company's debts, they shall be distributed in proportion to the shareholding of the shareholders.



During the liquidation period, the Company shall subsist but shall not engage in business activities unrelated to liquidation. The Company's assets shall not be distributed to shareholders prior to making repayment pursuant to the provisions of the preceding paragraph.

**Article 193**

Upon sorting of the Company's assets and formulation of balance sheet and inventory list of assets, where the liquidation team is aware that the Company's assets are inadequate for repayment of debts, the liquidation team shall apply to the people's court for declaration of insolvency.

After the People's Court accepts the application for bankruptcy, the liquidation team shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

**Article 194**

Upon completion of liquidation, the liquidation team shall formulate a liquidation report and shall submit the same to the shareholders' general meeting or the people's court for confirmation and submit to the company registration authorities and apply for deregistration.

**Article 195**

Members of the liquidation team shall perform their liquidation obligation and bear duties of loyalty and diligence. Members of the liquidation team shall bear the liability for damages suffered by the Company due to their negligence in performing the obligations of liquidation; where members of the liquidation team who cause losses to the Company or creditors due to intentional or gross negligence shall be liable for compensation.

**Article 196**

If the Company has not incurred any debts during its existence, or has settled all its debts, it may, with the undertaking of all shareholders, deregister the Company through the simplified procedure in accordance with relevant regulations.

In case of deregistration through the simplified procedure, the Company shall publish a notice on the National Enterprise Credit Information Publicity System for a period of not less than 20 days. If there is no objection after the expiration of the publicity period, the Company may apply to the company registration authority for deregistration within twenty days.

In case of deregistration through the simplified procedure, shareholders who have made an untrue undertaking with respect to the contents of the first paragraph of this article shall be jointly and severally liable for the debts incurred prior to the deregistration.

**Article 197**

Where the Company is declared insolvent in accordance with laws, it shall implement insolvency liquidation in accordance with the relevant laws relating to insolvency of an enterprise.

## CHAPTER 11 AMENDMENTS TO ARTICLES OF ASSOCIATION

**Article 198** Under any of the following circumstances, the Company shall amend the Articles of Association:

- (i) Following the amendment of the Company Law, the relevant laws, administrative regulations or the securities regulations and rules of the places where the Company's shares are listed, the matters stipulated in the Articles of Association contradict the provisions of the amended laws, administrative regulations or the securities regulations and rules of the places where the Company's shares are listed;
- (ii) There is any change to the Company's particulars which result in inconsistency with the matters set out in the Articles of Association;
- (iii) A shareholders' general meeting has decided on making amendments to the Articles of Association.

**Article 199** Where the approval from the competent authority is required for the amendments to the Articles of Association resolved by the shareholders' general meeting, such amendments shall be submitted to the competent authority for approval. Where an amendment to the Articles of Association involves the particulars of the Company's registration, changes shall be made to the registration pursuant to the law.

**Article 200** The Board of Directors shall amend the Articles of Association pursuant to the resolution of the shareholders' general meeting on such amendment and the examination and approval opinion of the competent authority.

**Article 201** If any amendment to the Articles of Association involves matters required to be disclosed by laws and regulations, an announcement shall be made pursuant to the regulations.

## CHAPTER 12 SUPPLEMENTARY ARTICLES

### Article 202 Definitions

- (I) A controlling shareholder refers to a shareholder holding shares representing more than 50% of the total share capital of the Company; a shareholder holding less than 50% of shares in the Company, but the voting rights vested by the shares held by him/her have a material effect on any resolutions made at a shareholders' general meeting, or controlling shareholder as defined in the securities regulations and rules of the places where the Company's shares are listed;
- (II) An de facto controller refers to a natural person, legal person or other organization which is not a shareholder of the Company but can effectively control the Company through investments, agreements or other arrangements.
- (III) In the Articles of Association, the meaning of "accounting firm" is consistent with the meaning of "auditor" in the Hong Kong Listing Rules; in the Articles of Association, "connected persons", "connected relations" and "connected transactions" refer to the meanings ascribed in the Hong Kong Listing Rules.

**Article 203** The Board may formulate by-laws in accordance with the provisions of the Articles of Association. Such by-laws shall not be in conflict with the Articles of Association.

**Article 204** The Articles of Association are written in Chinese. In case of any inconsistency between the Articles of Association and the articles of association in any other language or of different version, the latest Chinese version of the Articles of Association approved by and registered with the administration for industry and commerce shall prevail.

**Article 205** In case of any contradictions between the Articles of Association and the provisions of the laws, administrative regulations, normative documents and the securities regulations and rules of the places where the Company's shares are listed promulgated from time to time, the provisions of the laws, administrative regulations, normative documents and the securities regulations and rules of the places where the Company's shares are listed shall prevail.

- Article 206** The terms “above”, “within” or “before”, as stated in the Articles of Association shall all include the given figure; the terms “less than”, “more than”, “lower than”, “exceed” shall all exclude the given figure.
- Article 207** The Board of Directors of the Company shall be responsible for the interpretation of the Articles of Association.
- Article 208** Appendixes to the Articles of Association include the rules of procedure for shareholders’ general meetings, the rules of procedure for meetings of the Board of Directors and the rules of procedure for meetings of the Board of Supervisors.
- Article 209** Any matters not provided in the Articles of Association shall be settled according to the actual situations of the Company in accordance with the laws, administrative regulations and relevant requirements of the securities regulatory authorities at the place where the Company’s shares are listed. If there is any conflict between the Articles of Association and the laws, administrative regulations, relevant requirements or rules of the relevant securities registration and clearing institutions, other relevant normative documents and listing rules of the stock exchange where the Company’s shares are listed as promulgated from time to time, the latter shall prevail.
- Article 210** Upon consideration and approval by the shareholders’ general meeting, the Articles of Association shall take effect from the date of listing of the H Shares of the Company on the Hong Kong Stock Exchange. Since the effective date of the Articles of Association, the original articles of association will be lapsed automatically.