

**Huitongda Network Co., Ltd.**  
**匯通達網絡股份有限公司**  
**ARTICLES OF ASSOCIATION**

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## Chapter I General Provisions

**Article 1** To safeguard the lawful interests of Huitongda Network Co., Ltd. (the “**Company**”) and its shareholders and creditors, as well as to regulate the organization and acts of the Company, the Articles of Association are formulated and enacted in accordance with “the Company Law of the People’s Republic of China” (the “**Company Law**”), “the Securities Law of the People Republic of China”, “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 laws, administrative regulations, departmental rules, regulatory documents, and relevant regulations of the securities regulatory agency in the place where the Company’s shares are listed, based on the actual conditions of the Company and with reference to the Guidelines for the Articles of Association of Listed Companies.

**Article 2** The Company is a joint stock limited company incorporated in accordance with the Company and other relevant regulations.

The Company is a joint stock limited company wholly reorganized from Huitongda Network Co., Ltd. and established by way of sponsorship on December 15, 2015, and was registered with and has obtained a corporate business license from the Administration for Industry and Commerce of Jiangsu Province on December 15, 2015. The Company’s unified social credit code is 91320000566807479B. All the then shareholders of Huitongda Network Company Limited are the promoters of the Company, namely Wang Jianguo, Xu Xiuxian, Wang Jian, Five Star Holdings Group Co., Ltd. (五星控股集團有限公司), Qian Zhengming, Bian Huimin, Xu Weihong, Wang Qilin, Li Wei, Cai Jingzhong, Li Yonghua, Shenzhen Huasheng Fengda Investment Partnership (Limited Partnership) (深圳華晟豐達投資合夥企業(有限合夥)), Tianjin New Vision Yousheng Equity Investment Partnership (Limited Partnership) (天津新遠景優盛股權投資合夥企業(有限合夥)), Jiangsu Province Modern Service Industry Development Venture Capital Fund (L.P.) (江蘇省現代服務業發展創業投資基金(有限合夥)), Huatai Zijin (Jiangsu) Equity Investment Fund (Limited Partnership) (華泰紫金(江蘇)股權投資基金(有限合夥)), Suzhou Industrial Park Shunwei Technology Venture Capital Partnership (Limited Partnership) (蘇州工業園區順為科技創業投資合夥企業(有限合夥)), Beijing Yuhui Tianxin Investment Management Co., Ltd.(北京宇輝天欣投資管理有限公司), and Nanjing Daoning Investment Management Center (General Partnership) (南京道寧投資管理中心(普通合夥)).

**Article 3** Chinese name of the Company: 匯通達網絡股份有限公司

English Name : HUITONGDA NETWORK CO., LTD.

Domicile of the Company: Huitongda Building, 50 Zhongling Street, Xuanwu District, Nanjing

Postal code: 210014

**Article 4** The Company is a joint stock limited company in perpetual existence.

**Article 5** The Company's legal representative is the general manager of the Company.

**Article 6** The assets of the Company shall be divided into shares of equal value. The Company shall undertake its liabilities with all its assets, while the shareholders of the Company shall undertake limited liabilities subject to their respective shares subscribed.

**Article 7** From the date of the Articles of Association becoming effective, the Articles of Association constitutes a legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and each shareholder and among the shareholders.

**Article 8** The Articles of Association is binding on the Company and its shareholders, directors, supervisors and senior officer; the aforementioned person(s) may assert claims in respect of the Company's affairs pursuant to the Articles of Association.

Pursuant to the Articles of Association, shareholders may institute legal proceedings against other shareholders, shareholders may institute legal proceedings against the directors, supervisors, general manager, and other senior officer of the Company, and shareholders may also institute legal proceedings against the Company; the Company may institute legal proceedings against shareholders, directors, supervisors, general manager, and other senior officer.

**Article 9** To the extent permitted by laws and regulations, the Company may invest in other companies, and shall be liable to such investee companies according to its capital contribution. Unless otherwise stipulated by law, the Company shall not become a capital contributor that shall bear joint liabilities for the debts of its investee.

**Article 10** "Senior officer" as mentioned in the Articles of Association shall cover the general manager, the vice general manager, finance officer and secretary to the Board of the Company.

## **Chapter II Business Objectives and Scope**

**Article 11** The business objectives of the Company are: committed to the mission "to make China's rural communities live better", we started with traditional rural family-run stores and creatively launched the T2B2C model, independently developed the innovative digital intelligent service platform and business solutions across the entire industry chain. Through comprehensive empowerment, we can improve the digital management capabilities and business models of the stores and their upstream and downstream businesses, which in turn promotes the digital upgrade of the entire industrial chain from factories to rural communities, helps realize the transformation of rural commercial organizations and the implementation of digital villages, and build a more complete rural business form and industry value network.

**Article 12** The scope of business of the Company registered according to law includes computer network technology development and service, online sales of goods and services, wholesale and retail of electronic products, household appliances, agricultural materials, feed, agricultural machinery, agricultural equipment, pre-packaged food, electric vehicles and accessories, automobiles and accessories, home decoration and building materials, sales and service of solar power equipment and accessories, technology development, transfer, consultation and service in the supply chain field, enterprise management information consultation, telecommunication value-added business, software development, property leasing and property management. (Projects subject to approval according to law may only be carried out after approval by relevant authorities)

## **Chapter III Shares**

### **Section 1 Issuance of Shares**

**Article 13** Shares of the Company adopt the form of share certificates.

**Article 14** The shares of the Company shall be issued based on the principle of fairness and impartiality, and shall rank *pari passu* in all respects with the shares of the same class.

Shares of the same class issued at the same time shall be issued under the same condition and at the same price. The same price shall be paid for each of the shares subscribed for by any entity or individual.

Domestic Shares and Overseas Listed Foreign Shares issued by the Company are entitled to the same rights in any distribution in the form of dividends (including cash and in-kind distribution) or any other form. The Company shall not exercise any power to freeze or otherwise impair the rights attached to any of its shares held by any person having a direct or indirect interest merely because he/she has not disclosed his/her interest to the Company.

**Article 15** All shares issued by the Company shall have a par value denominated in Renminbi, which shall be RMB1 for each share.

**Article 16** Subject to the approval/filing of the securities regulatory authorities under the State Council, the Company may issue shares to qualified domestic investors and overseas investors.

For the purposes of the preceding paragraph, the term “overseas investors” shall refer to the investors from foreign countries or from Hong Kong Special Administrative Region (“**Hong Kong**”), Macao Special Administrative Region or Taiwan region of the People’s Republic of China (“**China**”) who subscribe for the shares issued by the Company, and the term “domestic investors” shall refer to the investors inside China, excluding the above-mentioned regions, who subscribe for the shares issued by the Company.

**Article 17** The shares issued by the Company to the domestic investors and to be subscribed for in Renminbi shall be referred to as “domestic shares”. Shares issued by the Company to overseas investors and to be subscribed in a foreign currency shall be referred to as “foreign shares”. Foreign shares listed outside China shall be referred to as “overseas listed foreign shares”.

Both holders of domestic shares and overseas listed foreign shares shall be the shareholders of ordinary shares, and have the same rights and obligations.

Shares that have been approved/filed for issuance by the authorities authorized by the State Council and have been approved by overseas securities regulatory authorities and are listed and traded in overseas stock exchanges are collectively referred to as overseas listed shares.

The overseas shares issued by the Company and listed in The Stock Exchange of Hong Kong Limited (“**Hong Kong Stock Exchange**”) are briefly referred to as H-shares, which shall be the shares listed on Hong Kong Stock Exchange, denominated in Renminbi, and subscribed for and traded in a foreign currency.

For the purposes of the preceding paragraph, the term “foreign currency” shall refer to the lawful currency of a country or area outside China, which is recognized by the State Administration of Foreign Exchange and can be used to pay for the shares of the Company.

To the extent permitted by the relevant laws, administrative regulations and departmental rules, shareholders holding unlisted domestic shares of the Company may apply for the conversion of domestic unlisted shares held by them into overseas listed shares for the listing and trading of such shares on an overseas stock exchange. The aforesaid shareholders shall entrust the Company to file with the securities regulatory authority of the State Council. The aforesaid applications, filings and other matters are not subject to voting at a general meeting. The listing and trading of the aforesaid shares in foreign stock exchanges shall be subject to the regulatory procedures, regulations and requirements of overseas stock markets.

The unlisted domestic shares as mentioned in the preceding paragraph shall be the domestic shares issued by the Company but not listed or traded on the domestic stock exchange(s).

**Article 18** The share capital of the Company upon establishment shall be RMB360 million, divided into 360 million ordinary shares, which were exchanged from the audited net assets of Huitongda Network Co., Ltd. as of June 30, 2015, which was RMB713.7231 million, by the promoters at a share exchange rate of 1.98:1. The converted share capital was RMB360 million, among which RMB353.7231 million was included in to the capital reserve. The names of the promoters and the number of shares subscribed for are as follows:

SN	Name of promoter	Subscription amount (RMB10 thousand)	Number of shares subscribed for (share)	Contribution proportion	Contribution time
1.	Wang Jianguo	15,395.59	153,955,860	42.766%	November 16, 2015
2.	Xu Xiuxian	7,128.00	71,280,000	19.800%	November 16, 2015
3.	Wang Jian	2,904.83	29,048,276	8.069%	November 16, 2015
4.	Five Star Holdings	3,351.73	33,517,241	9.310%	November 16, 2015
5.	Qian Zhengming	1,117.24	11,172,414	3.103%	November 16, 2015
6.	Bian Huimin	1,117.24	11,172,414	3.103%	November 16, 2015
7.	Xu Weihong	290.48	2,904,828	0.807%	November 16, 2015
8.	Wang Qilin	290.48	2,904,828	0.807%	November 16, 2015
9.	Li Wei	290.48	2,904,828	0.807%	November 16, 2015
10.	Cai Jingzhong	223.45	2,234,483	0.621%	November 16, 2015
11.	Li Yonghua	290.48	2,904,828	0.807%	November 16, 2015
12.	Shenzhen Huasheng Fengda Investment Partnership (L.P.)	1,440.00	14,400,000	4.000%	November 16, 2015
13.	Tianjin New Horizon Yousheng Equity Investment Partnership (L.P.)	864.00	8,640,000	2.400%	November 16, 2015
14.	Jiangsu Province Modern Service Industry Development Venture Capital Fund (L.P.)	504.00	5,040,000	1.400%	November 16, 2015
15.	Huatai Zijin (Jiangsu) Equity Investment Fund (L.P.)	356.44	3,564,356	0.990%	November 16, 2015
16.	Suzhou Industry Zone Shunwei Science & Technology Venture Capital Partnership (L.P.)	216.00	2,160,000	0.600%	November 16, 2015
17.	Beijing Yuhui Tianxin Investment Management Co., Ltd.	216.00	2,160,000	0.600%	November 16, 2015
18.	Nanjing Daoning Investment Management Center (General Partnership)	3.56	35,644	0.010%	November 16, 2015
Total		<b>36,000.00</b>	<b>360,000,000</b>	<b>100.000%</b>	/

**Article 19** With the approval of the securities regulatory authorities under the State Council on September 30, 2021, the Company issued 51,606,200 H shares on February 18, 2022, and an additional 2,305,600 H shares on March 16, 2022, for a total of 53,911,800 H shares.

The registered capital of the Company was RMB562.569837 million, equivalent to 562,569,837 shares.

The Company's share capital structure is as follows: 562,569,837 ordinary shares, including 382,303,498 domestic shares, accounting for 67.96% of the Company's total number of shares; 180,266,339 overseas listed foreign shares, accounting for 32.04% of the Company's total number of shares.

**Article 20** The Company or its subsidiaries (including affiliates of the Company) shall not provide any assistance in manners including gift, advance funds, guarantee, compensation or loans to a person who is acquiring or is proposing to acquire shares in the Company.

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

**Article 21** In accordance with the laws and regulations, the Company may, based on its operating and development needs and the resolution of the general meeting, increase its capital by the following methods:

- (I) by public offering of shares;
- (II) by private placement of shares;
- (III) by allotting bonus shares to existing shareholders;
- (IV) by capitalizing its capital reserve;
- (V) by any other method which is permitted by laws and administrative regulations and the relevant regulatory authorities.

The Company's increase in capital by issuing new shares shall be handled in accordance with the procedures set out in relevant laws, administrative regulations and the Hong Kong Listing Rules after having been approved in accordance with the Articles of Association.

**Article 22** The Company may reduce its registered capital. The Company shall reduce its registered capital in accordance with the Company Law and other relevant regulations and the procedures stipulated in the Articles of Association.

**Article 23** Under the following circumstances, the Company may repurchase its shares in accordance with the provisions of the relevant laws, administrative regulations, departmental rules and the Articles of Association:

- (I) to reduce the registered capital of the Company;
- (II) to merge with other companies that hold the shares of the Company;
- (III) To use the shares for the Employee Stock Ownership Plan or as the equity incentive;
- (IV) the shareholders who disagree with the merger or separation resolution made by the general meeting ask the Company to acquire their shares;
- (V) to use the shares in the conversion of the convertible corporate bonds issued by the Company;
- (VI) necessary for protecting the company value and the shareholders' equity;
- (VII) any other circumstances required by the laws, administrative regulations, departmental rules, and the regulatory rules of the place where the Company's shares are listed.

Except for the above situations, the Company shall not engage in the activity of trading its shares.

The repurchase of shares by the Company for the reasons set out in subparagraphs (I) and (II) above shall be subject to the resolution of the general meeting. The repurchase of shares by the Company for the reasons set out in item (III), item (V) and item (VI) above may be subject to the resolution made at a board meeting attended by two-thirds or more of the directors in accordance with the authorization of the general meeting.

In terms of the domestic shares, the shares repurchased by the Company shall be processed in the following ways: for the circumstance in item (I), such shares shall be canceled in 10 days after the date of repurchase; for the circumstance in item (II) or (IV), such shares shall be transferred or canceled in 6 months; for the circumstance in item (III), (V) or (VI), the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or canceled in 3 years.

If it is otherwise specified in provisions of the laws, administrative regulations, departmental rules and relevant rules of the securities regulatory authorities where the Company's shares are listed on the handling of the matters involved in the aforementioned share repurchase, such provisions shall prevail.

If the Company purchases its shares, it shall perform its obligation of information disclosure according to law.

**Article 24** The Company may repurchase its shares through open centralized trading or otherwise approved by laws, administrative regulations and the China Securities Regulatory Commission.

The purchase of shares by the Company under any of the circumstances set forth in sub-paragraph (III), (V) and (VI) of the first paragraph of Article 23, shall be conducted through open centralized trading.

**Article 25** After repurchasing shares according to law, the Company shall, within the time limit prescribed by laws and administrative regulations, cancel such shares and apply with the original company registration authorities for the registration of change in the registered capital.

The total par value of the canceled shares shall be deducted from the registered capital of the Company.

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

**Article 26** The shares of the Company can be freely transferred in accordance with laws. The shares of the Company may be donated, inherited and pledged in accordance with relevant laws, administrative regulations and the Articles of Association, and shall be registered with the local stock registration institution entrusted by the Company.

**Article 27** All the H-shares shall be transferred by way of written transfer instrument in an ordinary or general format, or any other format acceptable to the Board of Directors (including the standard transfer format or form of transfer as prescribed from time to time by the Hong Kong Stock Exchange). A written transfer instrument may be signed by hand or (where the transferor or transferee is a corporation) by the effective company seal. If the transferor or transferee is a recognized clearing house as defined in the laws of Hong Kong (the "**Recognized Clearing House**") or its agent, the written transfer instrument may be signed by hand or in a machine-printed form.

All the transfer instruments shall be kept at the legal address of the Company or such address as the Board of Directors may specify from time to time.

**Article 28** The Company shall not accept its own shares as collateral.

**Article 29** Shares of the Company held by the promoters shall not be transferred within one year from the date of the establishment of the Company. Shares issued by the Company prior to its public offering shall not be transferred within one year since the date on which its shares are listed and traded in a stock exchange.

The Directors, Supervisors, senior officers of the Company shall declare the number of shares held by them and the relevant changes. The number of shares transferred each year during their term of office shall not exceed 25% of the total number of shares of the Company held by them. The shares of the Company held by them shall not be transferred within one year since the listing date of the shares of the Company. The shares of the Company held by them shall not be transferred within six months after their resignation.

If it is otherwise specified in the provisions in the rules of the securities regulatory authorities in the place where the Company's shares are listed on restricting the transfer of overseas listed shares, such provisions shall prevail.

## **Chapter IV Shareholder and General Meeting**

### **Section 1 Shareholders**

**Article 30** The shareholders of the Company are those who lawfully hold the shares of the Company and have their names registered in the register of shareholders. The Company shall establish a register of shareholders in accordance with the evidence provided by the securities registrar. The register of shareholders shall be sufficient evidence of a shareholder's shareholding in the Company, unless there is evidence to the contrary. The shareholders shall enjoy the rights and assume the obligations according to the class and amount of the shares they hold; the shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations. Holders of domestic shares and overseas listed foreign shares shall be deemed to be shareholders of the same class.

**Article 31** If the laws, administrative regulations, departmental rules, normative documents of the PRC and relevant stock exchanges or regulatory authorities at the place where the Company's shares are listed have provisions on the book closure period prior to a general meeting or the record date for determining entitlements to dividend distribution by the Company, the relevant provisions shall prevail. Shareholders may still inspect the register of members during the book closure period.

**Article 32** When the Company convenes general meetings, distributes dividends, executes clearing or makes other conducts that need to identify the shareholders, the Board of Directors or the convener of a general meeting shall determine the date of record. The shareholders included in the register of shareholders at the close of trading on the date of record shall be the entitled shareholders.

**Article 33** Shareholders of ordinary shares of the Company shall enjoy the following rights:

- (I) to receive dividends and other forms of distribution of interests in proportion to their respective shareholdings;
- (II) to legally request, convene, preside over, attend or dispatch shareholder's agent to attend the general meeting and exercise the corresponding voting rights;
- (III) to supervise the business operations of the Company and to make suggestions or inquiries;
- (IV) to transfer, bestow or pledge the shares they hold according to the laws, administrative regulations and the Articles of Association;

- (V) to inspect the Articles of Association, register of shareholders (the Hong Kong branch register shall be available for inspection by shareholders), bond records of the Company, minutes of general meetings, resolutions of Board meetings, resolutions of meetings of Board of Supervisors and financial reports;
- (VI) to participate in the distribution of remaining assets of the Company in proportion to the number of shares held in the event of the termination or liquidation of the Company;
- (VII) to request the Company to buy back his/her shares if a shareholder opposes the merger or division of the Company at the general meeting;
- (VIII) other rights conferred by the laws, administrative regulations, departmental rules, regulation rules of the place where the Company's shares are listed and the Articles of Association.

**Article 34** A shareholder requesting for inspection of information or access to aforesaid materials shall provide the Company with written documents evidencing the class and number of shares of the Company that such shareholder holds. The Company shall provide such information and materials as requested by the shareholder after confirming the identity of the shareholder.

**Article 35** The shareholders are entitled to request the people's court to invalidate the resolution of the general meeting and board meeting which violates the laws and administrative regulations.

The shareholders are entitled to request the people's court to cancel the relevant resolution within 60 days after the resolution is adopted if the convening procedure and voting method of the general meeting or board meeting violates the laws, administrative regulations or the Articles of Association, or the resolution content breaches the Articles of Association.

**Article 36** If a director and senior management personnel causes losses to the Company for violation of the requirements of the laws, administrative regulations or the Articles of Association during the performance of his/her duties, shareholders who hold more than 1%, individually or jointly, of the Company's shares for more than 180 days continuously, have the right to request the Board of Supervisors to bring a suit to the people's court; if the Board of Supervisors causes losses to the Company for violation of the requirements of the laws, administrative regulations or the Articles of Association during the performance of its duties, the aforesaid shareholders can request the Board in written form to file a suit in the people's court.

Upon receipt of the written request by the shareholders as stipulated in the preceding paragraph, in case the Board of Supervisors and/or the Board refuses to file litigation or fails to file litigation within 30 days from receipt of such request, or under urgent circumstances that failure in filing litigation immediately, the Company will suffer from irreparable damages, the aforesaid shareholders shall have the right to file litigation with a people's court directly in their own name for protection of the Company's interests.

In the event that any person infringes the legal interests of the Company causing losses to the Company, the shareholders specified in the first paragraph may file litigation with a people's court in accordance with the provisions of the preceding two paragraphs.

**Article 37** In the event of violations of the laws, administrative regulations or the provisions of the Articles of Association by a director or senior management personnel in performing his/her duties resulting in damage to the shareholders' interest, the shareholders may file litigation with a people's court.

**Article 38** Shareholders of ordinary shares of the Company shall assume the following obligations:

- (I) to abide by the laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed and the Articles of Association;
- (II) to pay subscription moneys for the shares subscribed in accordance with the agreed manner of payment;
- (III) not to withdraw from the Company except for the circumstances set out in the relevant laws, regulations and the Articles of Association;
- (IV) not to abuse shareholder's rights to damage the interests of the Company or other shareholders; not to abuse the independent legal person status of the Company and the limited liability of shareholders to damage the interests of the creditors of the Company;

If any shareholder of the Company abuses the shareholder's rights and causes loss to the Company or other shareholders, he/she shall be liable for the compensation;

If any shareholder of the Company abuses the independent legal person status of the Company and the limited liability of shareholders to evade debts and severely damage the interests of the creditors of the Company, he/she shall bear joint liability for the debts of the Company;

- (V) to assume other obligations required by the laws, administrative regulations, regulation rules of the place where the Company's shares are listed and the Articles of Association.

Shareholders shall not be liable for making any additional contribution to the share capital other than according to the terms agreed by the subscriber of the shares at the time of subscription.

**Article 39** A shareholder holding 5% or more of the Company's shares with voting rights pledges any shares in his/her possession shall submit a written report to the Company from the date when he/she pledges his/her shares.

**Article 40** The controlling shareholder and the de facto controllers of the Company shall not use the connected relations to prejudice the interests of the Company; they shall be liable for indemnifying the Company for the losses arising therefrom in case of violation of such requirement.

The controlling shareholders and actual controllers of the Company shall bear the fiduciary duty to the Company and other shareholders. The controlling shareholder shall exercise the rights of the investor in strict accordance with law. The controlling shareholder shall not damage the legitimate rights and interests of the Company and other shareholders by means of profit distribution, asset restructuring, outbound investment, capital occupation, loan guarantee, connected transactions, etc., and shall not damage the interests of the Company and other shareholders by means of its controlling position.

**Article 41** “Controlling shareholder” as mentioned in the Articles of Association shall cover a person who meets any of the following conditions:

- (I) When acting alone or in concert with others, he/she may elect more than half of the directors;
- (II) When acting alone or in concert with others, he/she may exercise more than 30% (including 30%) of the voting rights of the Company or may control more than 30% (including 30%) of the voting rights of the Company;
- (III) When acting alone or in concert with others, he/she holds more than 30% (including 30%) of the shares issued by the Company;
- (IV) When acting alone or in concert with others, he/she can otherwise effectively control the Company.

## **Section 2 General Provisions of General Meetings**

**Article 42** The General Meeting of Shareholders acts as the authoritative organization of the Company which, according to the laws, exercises the following power:

- (I) to decide the management policies and investment plans of the Company;
- (II) to elect and replace directors and supervisors who are not staff representatives, and to decide on matters relating to their remuneration;
- (III) to review and approve the reports of the Board;
- (IV) to review and approve the reports of the Board of Supervisors;
- (V) to review and approve the annual financial budget plans and accounting plans of the Company;
- (VI) to review and approve the profit distribution plan and loss recovery plan of the Company;
- (VII) to make resolutions on the increase or reduction of the Company’s registered capital;
- (VIII) to make resolutions on the issuance of corporate bonds or other securities and public listing plans;
- (IX) to make resolutions on matters such as the merger, division, dissolution, liquidation or change in the organizational form of the Company;
- (X) to amend the Articles of Association;
- (XI) to make resolutions on the appointment or dismissal or non-renewal of engagement of accounting firms by the Company;
- (XII) to consider and approve the external guarantees of the Company that require the approval by the general meetings;

- (XIII) to consider the Company's purchase or disposal of major assets within one year of an aggregate value exceeding 30% of the latest audited total assets of the Company;
- (XIV) to consider and approve material transactions and connected transactions which shall be submitted to the general meeting for consideration in accordance with laws, administrative regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association;
- (XV) to review stock incentive plan and employee stock ownership plan;
- (XVI) to consider proposals raised by shareholder(s), individually or collectively representing over 3% of the Company's voting shares;
- (XVII) to review and approve the change of use of proceeds;
- (XVIII) to consider other matters that shall be decided by the general meeting according to the laws, administrative regulations, departmental rules, Hong Kong Listing Rules or the Articles of Association.

Under the condition of not breaching any laws and regulations and mandatory provisions of the relevant laws and regulations of the listing place, the general meeting may authorize or entrust the Board to handle the matters as authorized or entrusted.

**Article 43** Unless the Company is in danger or under other special circumstances, the Company shall not, without the approval of general meeting by means of a special resolution, enter into agreements with persons other than directors, supervisors or senior officers granting that persons responsible for the management of all or part of the Company's material business.

**Article 44** The following external guarantees of the Company shall be reviewed and passed by the Board, and then submitted to be reviewed and passed at the general meeting (except the guarantees provided by the Company for its holding subsidiary):

- (I) any guarantee provided after the total amount of the external guarantees provided by the Company and its majority owned subsidiaries reaches or exceeds 50% of the audited net assets for the latest period;
- (II) any guarantee provided after the total amount of the external guarantees provided by the Company reaches or exceeds 30% of the audited total assets for the latest period;
- (III) the guarantee made to a party whose ratio of assets and liabilities (gearing ratio) exceeding 70%;
- (IV) any single guarantee with the amount exceeding 10% of the audited net assets for the latest period;
- (V) any guarantee whose amount exceeds 30% of the Company's latest audited total assets within 12 consecutive months;
- (VI) any guarantee whose amount exceeds 50% of the Company's latest audited total assets and the absolute amount exceeds RMB30 million within 12 consecutive months;

(VII) any guarantee provided to the shareholders, actual controller and its related parties;

(VIII) any other guarantee circumstance provided in the laws, regulations, normative documents, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The guarantees as mentioned in item (V) above submitted to the general meeting for consideration shall be passed with two-thirds of the votes held by the shareholders attending the meeting.

The Board has the right to consider and approve the external guarantees other than the external guarantees that are subject to the approval of the general meeting.

When the proposal for providing a guarantee to a shareholder, actual controller and its related parties is reviewed by the general meeting, the shareholder or the shareholders controlled by the actual controller shall not participate in the voting, and this proposal shall be considered and passed by other shareholders present at the meeting.

If any directors, the general manager and other personnel of the Company do not fulfill the approval procedures in accordance with the provisions of the Articles and exceed their authority to enter into external guarantee contracts without authorization, and cause damage to the Company, they shall be held accountable.

**Article 45** The general meetings shall be divided into the annual general meetings and the extraordinary general meetings. The annual general meeting shall be convened once a year, and shall be held within six months after the prior accounting year ends.

**Article 46** The Board shall convene an extraordinary general meeting within two months under any of the following circumstances:

- (I) when the number of directors is less than the number specified in the Company Law or two-thirds of the number required by the Articles of Association;
- (II) when the uncovered loss of the Company reaches one-third of the total paid-in share capital of the Company;
- (III) at the request of shareholders who individually or collectively hold more than 10% of the Company's issued voting shares;
- (IV) when the Board considers it necessary;
- (V) when the Board of Supervisors proposes such a meeting be held;
- (VI) as proposed by independent director(s);
- (VII) any other circumstance required by the laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The number of shares held under item (III) above shall be calculated from the date of such shareholder's written request.

**Article 47** The place to hold the general meetings shall be the domicile of the Company generally. If there is a change in the venue of a general meeting, it shall be specified in the notice of the meeting.

A meeting venue shall be established for the general meeting, and meetings will take the form of on-site meetings. The Board of the Company may, on a case-by-case basis and where applicable, adopt alternative voting methods to facilitate shareholders' participation in general meetings in accordance with the laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed, the Hong Kong Listing Rules or the Articles of Association of the Company. Shareholders who participate in a general meeting in the aforesaid manners shall be deemed to have been present at the meeting. Shareholders shall have rights to (a) speak at the general meeting; and (b) vote at the general meeting unless the individual shareholders shall waive the vote on certain matters by laws, administrative regulations, the securities regulatory authorities of the place where the Company's shares are listed, Hong Kong Listing Rules or Articles of Association

**Article 48** If the Company shall convene a class shareholders' meeting for a certain material matter in accordance with the requirements of the securities regulatory authorities of the place where the Company's shares are listed, the procedures for convening and voting at the relevant class shareholders' meeting shall be implemented with reference to the relevant requirements of the general meeting of shareholders in this chapter.

### **Section 3 Convening of the General Meeting**

**Article 49** The general meeting shall be convened by the Board, the chairman of which shall also act as the chairman of the meeting; when the chairman of the Board is unable or fails to perform his/her duties, the Board can designate a director of the Company to convene the meeting on his/her behalf and act as the chairman of the meeting; when the chairman of the meeting is not designated, the shareholders present at the meeting can elect one person to serve as the chairman; if the shareholders are unable to elect the chairman of the meeting for any reason, the shareholder present who holds the greatest number of voting shares (including his/her proxy) shall serve as the chairman of meeting.

**Article 50** The meeting chairman is responsible for deciding whether to pass the resolution at the general meeting. His decision shall be final, and declared at the meeting and recorded into the meeting minutes.

**Article 51** If the Board is unable to perform or does not perform the duty of convening a general meeting, the Board of Supervisors of the Company shall convene and preside over the meeting; if the Board of Supervisors does not convene and preside over the meeting, shareholders who individually or collectively hold more than ten percent of the shares of the Company for more than ninety consecutive days may convene and preside over the meeting themselves.

**Article 52** The independent directors have the right to propose to the Board to convene an extraordinary general meeting. For the proposal of independent directors of convening an extraordinary general meeting, the Board shall, in accordance with the provisions of laws, administrative regulations, Hong Kong Listing Rules and the Articles of Association, submit written feedback on whether to agree or disagree to convene the extraordinary general meeting within ten days upon receipt of the proposal.

When the Board agrees to convene an extraordinary general meeting, the Board shall, within five days after the Board resolution is made, issue a notice calling for the meeting. If the Board does not agree to convene such a meeting, the reasons shall be stated and announced.

If the securities regulatory authorities at the place where the Company's shares are listed stipulate otherwise, the relevant provisions shall prevail.

**Article 53** The Board of Supervisors is entitled to propose to the Board of Directors to convene the extraordinary general meeting, provided that the proposal shall be made in written form. The Board shall, pursuant to relevant laws, administrative regulations, Hong Kong Listing Rules and Articles of Association, give a written reply on whether to agree or disagree to convene the extraordinary general meeting within 10 days after receipt of the proposal.

When the Board agrees to convene an extraordinary general meeting, the Board shall, within five days after the Board resolution is made, issue a notice calling for the meeting. Changes in the original proposal in the notice shall be subject to the approval of the Board of Supervisors.

When the Board does not agree to convene an extraordinary general meeting or does not provide written feedback within ten days upon receipt of the proposal, the Board shall be considered to be unable or fail to perform the duty of convening an extraordinary general meeting. The Board of Supervisors can convene and preside over the meeting on its own.

**Article 54** Shareholder(s) individually or jointly holding a total of more than 10% shares of the Company may sign one or more written requests of identical form and substance requesting the Board of Directors to convene an extraordinary general meeting and stating the subject of the meeting. The Board shall, pursuant to relevant laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association, give a written reply on whether to agree or disagree to convene the extraordinary general meeting within 10 days after receipt of the request.

If the Board agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five days after the resolution is made by the Board. In the event of any change to the original proposal, the consent of relevant shareholder(s) shall be obtained.

If the Board does not agree to hold the extraordinary general meeting or fails to give a reply within 10 days after receipt of the request, shareholder(s) severally or jointly holding no less than 10% shares of the Company shall be entitled to propose and request in writing to the Board of Supervisors to convene an extraordinary general meeting.

If the Board of Supervisors agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after receipt of the said request. In the event of any change to the original proposal, the consent of relevant Shareholder(s) shall be obtained.

If the Board of Supervisors fails to give the notice of such a meeting within the specified time limit, it shall be deemed to have failed to convene or preside over the meeting, in which case, shareholders who individually or collectively hold more than ten percent of the shares of the Company for more than ninety consecutive days may convene and preside over the meeting themselves.

**Article 55** When the Board of Supervisors or the shareholders decide to convene a general meeting of shareholders by themselves, they shall notify the Board of Directors in writing and at the same time file the notice with the corresponding stock exchange in accordance with applicable regulations.

Before an announcement on resolutions is made at the general meeting, the shareholding percentage of the convening shareholders shall not be less than 10%.

**Article 56** The Board and the Board Secretary shall align with the general meeting convened by the Board of Supervisors or the shareholders on their own. The Board shall provide the register of shareholders as of the date of record. The register of shareholders obtained by the convener shall not be used for any purposes other than holding the general meeting.

**Article 57** If the Board of Supervisors or shareholders convene a meeting on their own, the Company shall bear the reasonable expenses incurred thereby and deduct the expenses from the amount owed by the Company to the delinquent directors.

#### **Section 4 Proposals and Notices of the General Meeting**

**Article 58** The proposal contents shall fall into the terms of reference of the general meeting. There shall be definite topics and specific matters for resolution. The proposal shall comply with the relevant provisions of the laws, administrative regulations, Hong Kong Listing Rules and the Articles of Association.

**Article 59** Where the Company convenes a general meeting, the Board, Board of Supervisors, and shareholder(s) individually or jointly holding more than 3% of the shares of the Company may make proposals to the Company.

The shareholders individually or jointly holding more than 3% of the shares of the Company may raise a temporary proposal and submit it to the convener in writing 10 days before the general meeting is held. The convener shall, within 2 days after the receipt of the proposal, issue a supplementary notice to inform other shareholders and submit the temporary proposal to the general meeting for consideration.

Save as specified above, the convener shall not change the proposal set out in the notice of general meeting or add any new proposal after the said notice is served.

The general meeting shall not vote or pass resolutions on proposals not listed in the notice of the general meeting or resolutions not in conformity with the provisions of the Articles of Association.

**Article 60** A written notice of the annual general meeting shall be given at least 20 days prior to the meeting, and a written notice of the extraordinary general meeting shall be given at least 15 days prior to the meeting. If laws, regulations or the securities regulatory authorities where the Company's shares are listed provide otherwise, the relevant provisions shall prevail.

The general meeting shall not decide on matters not specified in the notice.

**Article 61** A general meeting notice shall be made in writing and contain:

- (I) the time, venue and duration of the meeting;
- (II) the matters and proposals to be reviewed at the meeting;
- (III) the textual explanation: all shareholders are entitled to attend the meeting and they may appoint a proxy to attend and vote at such meeting on their behalves and that such proxy need not be shareholders of the Company;

- (IV) the name and telephone number of the regular contact person for the meeting;
- (V) the information and explanations necessary for shareholders to make informed decisions on the matters discussed; this principle includes (but is not limited to) the requirement that when the Company intends to make a merger, repurchase shares, make capital restructuring or other reform, it shall provide the specific conditions and contracts (if any) of the proposed transaction, and make detailed explanations on the causes and consequences;
- (VI) If any directors, supervisors, managers or other senior officers have a material interest in the matters to be discussed, the nature and extent of the interest shall be disclosed; if the influence of the matters to be discussed on the relevant director, supervisor, manager or other senior officer is different from the influence on other shareholders of the same class, the relevant difference shall be specified;
- (VII) full text of the special resolution proposed to pass at the meeting;
- (VIII) the delivery time and place of the proxy form for voting;
- (IX) the record date of the shareholders entitled to attend the general meeting;
- (X) other requirements stipulated in the laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The notice and the supplementary notice of the general meeting shall contain those required by the Hong Kong Listing Rules and the Articles of Association, and fully and completely disclose all specific contents of all proposals. If the matters to be discussed require opinions from independent directors, the opinions and reasons of independent directors will be disclosed at the time when the notice of general meeting or the supplementary notice is issued. The notice of a general meeting shall provide a clear and adequate explanation of the proposal to be considered at the general meeting. Where voting is required, a recommendation from directors shall be provided. Directors' voting recommendations shall be based on what is, in their opinion, in the best interest of the shareholders as a whole. The notice shall clearly explain whether or not shareholders attending the general meeting by webcast at a remote site are allowed to vote and if so, how.

If the Company needs to supplement any material information on the subject matter to be considered at the general meeting, it shall provide the information not less than 10 working days before the date of the general meeting. Where necessary, the Company shall adjourn the general meeting to ensure conformity with the requirement.

**Article 62** When the general meeting intends to discuss the election of directors and supervisors, the notice of the meeting shall fully explain the details of the candidates for directors and supervisors, including, as a minimum, the following contents:

- (I) personal particulars such as education background, working experience and any concurrent positions;
- (II) whether there is any connected relationship with the Company or the controlling shareholder and de facto controller of the Company;

- (III) their shareholdings in the Company;
- (IV) whether he has been punished by the China Securities Regulatory Commission, other relevant authorities and the stock exchange on which the shares of the Company are listed;
- (V) other provisions of the securities regulatory authorities and the stock exchange where the Company's shares are listed.

The election of each candidate for director and supervisor shall be proposed separately.

**Article 63** Unless otherwise specified by the laws and regulations, the Hong Kong Listing Rules and the Articles of Association, the notice of general meeting shall be delivered to the shareholders (whether he has voting rights at the general meeting or not) by sending to the address of the shareholders listed in the register of shareholders via personal delivery or prepaid mail. For the holders of domestic shares, the notice of general meeting may also be given via public announcement.

The announcement issued to the holders of domestic shares shall be published in the media that meets the requirements of the securities regulatory authorities of the State Council. Once the public announcement is made, it is deemed that all the holders of domestic shares have received the notice of the relevant general meeting.

On the premise of conformity with requirements of laws, administrative regulations, departmental rules, and the regulatory rules of the place where the Company's shares are listed, and following the relevant procedures, the notice of the general meeting to the holders of H shares may be issued through the website designated by the Hong Kong Stock Exchange and the website of the Company, in lieu of the means of personal delivery or prepaid mail to holders of H shares. Upon the announcement, all holders of the Company's overseas listed shares are deemed to have received the notice of the relevant shareholders' meeting.

**Article 64** The meeting and the resolution of the meeting shall not be null and void if notice of the meeting fails to be delivered to or received by any person entitled to the notice due to accidental omission.

**Article 65** When the notice of general meeting is issued, the general meeting shall not be adjourned or canceled without just cause, and the proposals listed in the notice of general meeting shall not be canceled. In the event of an adjournment or cancellation, the convener shall notify the shareholders at least two working days before the scheduled date of holding and give explanations on such adjournment or cancellation. If the meeting is to be adjourned, the date of reconvening shall also be stated in the notice.

## **Section 5 Holding of the General Meeting**

**Article 66** The Board of Directors and other conveners shall maintain the order of the general meeting. They shall stop the conducts that interfere with the general meeting, provoke trouble and infringe on the legal rights and interests of the shareholders and report to the relevant authorities for investigation.

**Article 67** When the general meeting is held, all shareholders recorded in the register as at the record date or their proxies shall have the right to attend the general meeting and exercise the voting rights in accordance with applicable laws, regulations and the Articles of Association.

**Article 68** Any shareholder (including Hong Kong Securities Clearing Company Limited) entitled to attend and vote at the general meeting may attend and vote personally or by appointing one or several persons (who is/are not necessary to be a shareholder(s)) as his/her proxy(proxyes). A shareholder shall appoint a proxy via written power of attorney, which shall be signed by the principal or the proxy he/she appoints in writing. If the principal is an institutional shareholder, the power of attorney shall be stamped with the name of the institution or signed by its director or duly appointed proxy.

The shareholder proxy may exercise the following rights according to the authorization of the shareholder:

- (I) the same right as the shareholder to speak at the general meeting;
- (II) requesting to vote by ballot separately or together with others;
- (III) exercising the voting right by raising hand or ballot, provided that if more than one proxies are appointed, the shareholder proxies shall vote by ballot only.

**Article 69** An individual shareholder who attends the meeting in person shall produce his or her own ID card or other valid documents or proof evidencing his or her identity. If a proxy is appointed to attend the meeting on his or her behalf, such a proxy shall produce their own valid proof of identity and the power of attorney from the shareholder.

Institutional shareholders shall attend the meeting by their legal representatives (principals) or their proxies. If the legal representative (principal) attends the meeting, he or she shall produce his or her own ID card and a valid proof of his or her legal representative (principal) status. If a proxy has been appointed to attend the meeting, such a proxy shall produce his/her own ID cards and the power of attorney issued by the institutional shareholder according to law (except Recognized Clearing House or his/her proxy).

A shareholder shall appoint a proxy via written power of attorney, which shall be signed by the principal or the proxy he/she appoints in writing. If the principal is an institutional shareholder, the power of attorney shall be stamped with the name of the institution or signed by its director or duly appointed proxy

**Article 70** The power of attorney issued by a shareholder to appoint a proxy to attend a general meeting shall contain the following information:

- (I) Name of the proxy;
- (II) Whether the proxy has a voting right;
- (III) The instruction to vote for, against or abstain from voting on each matter for consideration listed in the agenda of the general meeting;
- (IV) The issuing date and validity period of the power of attorney;

- (V) Signature (or seal) of the principal. If the principal is a legal person, the power of attorney shall be under the seal of the legal person or signed by the duly appointed proxy.

**Article 71** The template power of attorney shall be stated clearly in the power of attorney if the shareholder proxy can vote at his/her discretion when the shareholder does not give any specific instructions.

**Article 72** If the power of attorney is signed by the authorized person of the appointer, the letter of authority for signing or other authorization documents shall be notarized. The notarized letter of authority or other authorization documents and the power of attorney for voting by proxy shall be placed at the domicile of the Company or other place specified in the meeting.

If the principal is an institutional shareholder, its legal representative (principal) or the person authorized by the Board of Directors or other decision-making authorities shall attend the general meeting of the Company on its behalf.

If the shareholder is a recognized clearinghouse (or its agent) as defined in the relevant ordinances made in Hong Kong from time to time, the shareholder may authorize one or more persons as he thinks fit to act as his representative at any general meeting. However, if more than one person is authorized, the power of attorney shall state the number and type of shares in respect of which each such person is authorized and shall be signed by the authorized officer of the recognized clearing house. A person so authorized may attend a meeting on behalf of a recognized clearing house (or its agent) as if he were an individual shareholder of the Company without the need to produce a certificate of shareholding, notarized power of attorney and/or further evidence of formal authorization.

**Article 73** If the principal is dead, becomes incapable, revokes the appointment, revokes authorization for signing the power of attorney or the relevant shares have been transferred before the voting, as long as the written notice on such matters is not received by the Company before the commencement of the relevant meeting, the votes made by the proxy according to the power of attorney remain effective.

**Article 74** The meeting register for the attendees shall be prepared by the Company. The meeting register shall specify the name of the attendees (or the entity name), the ID card number, the domicile address, the number of shares with voting rights he holds or represents, the appointer's name (or the entity name) and other relevant matters.

**Article 75** The convener and the lawyer engaged by the Company shall jointly verify the qualification of the shareholders according to the register of shareholders provided by the securities depository and clearing institution, and register the name of each shareholder and the number of shares with voting rights he holds. The meeting registration shall be stopped before the meeting presider declares the number of shareholders and agents present and the total number of shares with voting rights they hold.

**Article 76** When the general meeting is held, all the directors, supervisors and Board secretary of the Company shall attend the meeting, while the general manager and other senior officers shall attend as a nonvoting delegate.

**Article 77** The general meeting shall be convened by the Board, and presided over by the chairman; when the chairman of the Board is unable or fails to perform his/her duties, more than half of the directors may jointly elect one director to preside over the meeting; when the chairman of the meeting is not designated, the shareholders present at the meeting can elect one person to serve as the chairman; if the shareholders are unable to elect the chairman of the meeting for any reason, the shareholder present who holds the greatest number of voting shares (including his/her proxy, except the Hong Kong Securities Clearing Company Limited) shall serve as the chairman of the meeting.

At a general meeting convened by the Board of Supervisors, the chairman of the Board of Supervisors shall preside over the meeting. When the chairman of the Board of Supervisors is unable or fails to perform his or her duty, a supervisor jointly elected by more than half of the supervisors shall preside over the meeting.

If a general meeting is convened by the shareholders, the convener shall elect a representative to preside over the meeting.

When a general meeting is held, if the chairman of the meeting violates the rules of procedure, making the continuance of the meeting impossible, with the consent of the shareholders holding more than half of the voting rights present at the meeting, the general meeting may elect a person to serve as chairman of the meeting and the meeting shall continue.

**Article 78** The Company shall formulate rules of procedure for the general meeting, and specify the convening and voting procedures of the general meeting, including notice, registration, consideration of proposals, voting, counting of votes, announcement of voting results, formation of resolutions of the meeting, minutes of the meeting and signing thereof, as well as the principle of authorization of the general meeting to the Board. The content of authorization shall be clear and specific. The rules of procedure for the general meeting shall be annexed to the Articles of Association and shall be prepared by the Board of Directors and approved by the general meeting.

**Article 79** At the annual general meeting, the Board of Directors and Board of Supervisors shall make a report on their works in the past year to the general meeting. Each independent director shall also make a work report.

**Article 80** The directors, supervisors and senior officers shall provide explanations and statements relating to the queries and suggestions put forward by the shareholders at the general meeting, unless:

- (I) the queries are not related to the agenda of the meeting;
- (II) the queries involve matters to be verified;
- (III) the queries involve trade secrets of the Company;
- (IV) other reasonable reasons.

**Article 81** The meeting presider shall declare the number of shareholders and proxies present and the total number of shares with voting rights they hold before voting. To determine the number of shareholders and proxies present and the total number of shares with voting rights they hold, the meeting register shall prevail.

**Article 82** The general meeting shall have meeting minutes, and the Board secretary shall be responsible for the meeting minutes. The meeting minutes shall contain:

- (I) time, venue and agenda of meeting and the convener's name;
- (II) names of the meeting presider and the directors, supervisors, general manager and other senior officers attending the meeting or attending meeting as a non-voting attendee;
- (III) number of shareholders and agents present, the total number of shares with voting rights they hold, and its proportion in the total number of the shares of the Company;
- (IV) consideration process, key points of speech and voting result of each proposal;
- (V) inquiry or suggestion of the shareholders and the corresponding reply or explanation;
- (VI) names of vote counter and scrutineer;
- (VII) other contents that shall be included in the meeting minutes according to the Articles of Association.

**Article 83** The convener shall guarantee the authenticity, accuracy and integrity of the contents of the meeting minutes. The directors, supervisors, Board secretary, convener or their representative who attended the meeting, and the chairman of the meeting shall sign the meeting minutes. The meeting minutes shall be maintained together with the register of names of the shareholders present, the power of attorney for attendance, and the valid documents for the on-line and other forms of voting for a period of not less than 10 years.

**Article 84** The convener shall warrant that the general meeting will proceed continuously until the final resolution is made. If the general meeting is suspended or the resolution cannot be made due to force majeure or other special causes, the convener shall restore the general meeting or directly terminate the general meeting, and all shareholders shall be notified in time.

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

**Article 85** The resolutions of a general meeting are classified into ordinary resolutions and special resolutions.

Ordinary resolutions of the general meeting shall be passed by more than half of the voting rights held by the shareholders (including proxies) present at the meeting.

Special resolutions of the general meeting shall be passed by more than two-thirds of the voting rights held by the shareholders (including proxies) present at the meeting.

**Article 86** The following matters shall be resolved by way of ordinary resolution of the general meeting:

- (I) work reports of the Board and the Board of Supervisors;
- (II) profit distribution proposals and proposals for making up losses formulated by the Board;
- (III) appointment, dismissal and remuneration of the members of the Board and the Board of Directors and the method of payment of the remuneration;
- (IV) annual financial budgets and final accounts of the Company;
- (V) annual report of the Company;
- (VI) matters other than those required by the laws, administrative regulations, regulatory rules of the place where the Company's shares are listed or the Articles of Association to be passed by special resolutions.

**Article 87** The following matters shall be resolved by way of special resolution of the general meeting:

- (I) increase or reduction of the Company's registered capital;
- (II) division, merger, dissolution and liquidation or change of organizational form of the Company;
- (III) amendment to the Articles of Association;
- (IV) purchase and disposal of material assets by the Company within one year, or a guarantee amount exceeding 30% of the audited total assets in the most recent period of the Company;
- (V) the equity incentive scheme;
- (VI) other matters required by the laws, administrative regulations, department rules, regulatory rules of the place where the Company's shares are listed or the Articles of Association, and matters which, according to an ordinary resolution of the general meeting, may have a significant impact on the Company and shall be adopted by way of a special resolution.

**Article 88** Shareholders (including proxies) shall exercise their voting rights by the number of voting shares they represent at the general meeting, and each share shall have one vote.

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

The Company shares held by the Company have no voting right, and those shares are not included in the total number of voting shares present at the general meeting and will not be deposited into the Central Clearing and Settlement System.

Under applicable laws, administrative regulations and regulatory rules of the place where the Company's shares are listed, if any shareholder are required to not vote on any particular proposal or restricted to voting only for or only against any particular proposal, the votes cast by or on behalf of such shareholders in contravention of such requirements or restrictions shall not be counted.

**Article 89** When the connected transactions (as defined in the Hong Kong Listing Rules) are considered at the general meeting, the connected shareholders and their close associates (as defined in the Hong Kong Listing Rules) shall not participate in voting, and the number of voting shares represented by them shall not be counted into the total number of valid votes. The voting particulars of the unconnected persons shall be disclosed in the announcement on the resolution of the general meeting.

Before the general meeting considers connected transactions, the Company shall determine the scope of connected shareholders in accordance with relevant laws, regulations and normative documents. Connected persons or their authorized representatives may attend the general meeting and may express their views to the shareholders present in accordance with the procedures of the general meeting, but shall recuse themselves from voting by ballot.

When the general meeting reviews the connected transactions, the connected shareholder voluntarily shall recuse themselves from voting. If a connected shareholder does not recuse himself/herself from voting, other shareholders attending the meeting shall have the right to request him/her to recuse himself/herself from voting. After the avoidance of the connected persons, the other shareholders shall vote according to their voting rights and adopt the corresponding resolution in accordance with the provisions of the Articles of Association; the presider shall announce the number of shareholders and proxies other than the connected persons present at the meeting and the total number of shares with voting rights.

The resolution of the general meeting on connected transactions shall be valid only if it is passed by more than half of the voting rights held by unconnected shareholders attending the general meeting. However, if the connected transaction involves the matters that shall be subject to a special resolution as specified in the Articles of Association, the resolution of the general meeting shall be valid only if it is passed by more than two-thirds of the voting rights held by unconnected shareholders attending the general meeting.

If a connected person or its close associate participates in the voting in violation of this article, his/her vote on relevant connected transactions shall be invalid.

**Article 90** The Company shall facilitate the shareholders' participation in the general meeting through various ways and means under the premise of ensuring the general meeting is legal and effective.

**Article 91** The name list of candidates for directors and supervisors shall be included in a proposal to be submitted to the general meeting for voting.

**Article 92** The general meeting shall take a vote on all the proposals separately; in the event of several proposals for the same issue, such proposals shall be voted on and resolved in the order of time at which they are submitted. Unless the general meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused at the general meeting.

**Article 93** When considering a proposal, the general meeting shall not modify it; otherwise such modifications shall be deemed a new proposal and may not be voted at the current meeting.

**Article 94** Votes shall be taken by disclosed ballot at general meetings, except on proposals concerning procedures of the general meeting or administrative matters, which may be decided in good faith by the chairman of the meeting and voted by a show of hands.

The procedures and administrative matters above-mentioned shall:

1. not be contained in the agenda of the general meeting or in any supplementary circular to shareholders; and
2. involves the duty of the presider to maintain the orderly course of the meeting and/or to allow the matters of the meeting to be handled more efficiently and effectively while giving all shareholders a reasonable opportunity to express their views.

If the chairman decides to vote by a show of hands, the general meeting shall vote by show of hands unless the following persons require a vote by ballot before or after a show of hands:

- (I) chairman of the meeting;
- (II) at least two voting shareholders or proxies of voting shareholders; and
- (III) one or several shareholders (including proxies) holding not less than 10% (inclusive) of the voting shares individually or in aggregate at such meeting.

If the chairman decides to vote by a show of hands, unless a vote by ballot is proposed, the chairman of the meeting shall, by a show of hands, declare the adoption of the proposal and record it in the minutes of the meeting as final and without the need to prove the number of votes for or against the resolution adopted at that meeting, or the proportion thereof.

The request for voting by ballot may be withdrawn by the proposer.

**Article 95** If the matter requiring voting by ballot is the election of the meeting chairman or the suspension of the meeting, a voting shall be taken immediately. In respect of other matters requiring a poll, the chairman shall decide when to hold a voting, and the meeting may proceed to discuss other matters, provided that the result of the voting shall be deemed to be a resolution adopted at that meeting.

**Article 96** When votes are cast on proposals at the general meeting, representatives of the shareholders and the representative of supervisors and other connected persons appointed pursuant to the Hong Kong Listing Rules shall be jointly responsible for scrutinizing and counting votes and shall announce the voting results at the meeting. The voting result shall be recorded in the meeting minutes.

**Article 97** A general meeting shall be held on site or by other means permitted by laws and regulations.

An on-site general meeting shall not end before that held on-line or otherwise, and the presider shall announce the voting status and results of each proposal and announce whether the proposal is adopted or not based on the voting results.

Prior to the formal announcement of voting results, the relevant parties involved in relation to voting at the general meeting, including the companies, the persons responsible for counting votes and scrutinizing the voting, and the substantial shareholders, shall be obliged to keep the voting status confidential.

**Article 98** The shareholders attending the general meeting shall express one of the following opinions on the proposal to be voted on: for, against, or abstain. Save for the circumstance under which the securities registration and settlement institution acting as the nominal holder of shares under the mutual stock market access between the Mainland China and Hong Kong makes reporting in accordance with the instruction of the de facto holders of relevant shares.

An unfilled, wrongly filled, or illegible vote, or an uncast vote shall be deemed to be a waiver of the voting right of the voter, and the voting result for the number of shares he/she holds shall be accounted as “abstain”.

On a voting by ballot at a meeting, a shareholder (including his/her proxies) entitled to two or more votes does not need to cast all his/her votes for, against, or abstain.

Where the same vote is cast two or more times, the first cast shall hold.

In the event of a tie between for and against, either by show of hands or by poll, the chairman of the meeting is entitled to one additional vote.

**Article 99** If the presider of the meeting has any doubt as to the result of a resolution which has been put to the vote at the general meeting, he/she may have the votes counted. If the presider of the meeting has not counted the votes, any shareholder present in person or by proxy who objects to the result announced by the presider of the meeting may, immediately after the declaration, demand that the votes be counted, and the presider of the meeting shall have the votes counted immediately.

If the votes are counted at the general meeting, the result shall be recorded in the minutes. The minutes together with the attendance record of shareholders and the powers of attorney of the proxies shall be maintained at the Company’s domicile.

**Article 100** Resolutions of general meetings shall be announced in a timely manner in accordance with the relevant laws, regulations, departmental rules, normative documents, the regulatory rules of the place where the shares of the Company are listed or the provisions of the Articles of Association. The announcements shall set forth the number of shareholders and proxies present at the meeting, the total number of voting shares and the proportion to the total number of voting shares of the Company, the total number of shares required to abstain from voting and/or the total number of shares required to abstain from voting on individual proposals in accordance with the regulatory rules of the place where the shares of the Company are listed (if any), and whether the shareholders who shall abstain from voting have abstained from voting, the manner of voting, the voting results on each proposal and the specific contents of each resolution adopted.

**Article 101** If the general meeting passes a proposal concerning the election of directors and supervisors, the new directors and supervisors shall take office on the date when the resolution of the general meeting on election of them is adopted.

## **Chapter V Board of Directors**

### **Section 1 Directors**

**Article 102** Directors are elected or replaced by the general meeting with a term of office of three years. Upon expiration of the term, the directors may be re-elected and serve consecutive terms. Directors are not required to hold shares in the Company.

The term of office of directors is from the date of taking office until the expiration of the term of office of the current Board. Where no election is conducted in time before the expiration of the term of office of a director, the existing director shall, before the director-elected takes office, continue to perform his/her duty as a director in accordance with laws, administrative regulations, departmental rules and the Articles of Association.

Any director appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office only until the first annual shareholder's general meeting of the Company following his/her appointment, and shall then be eligible for re-election.

Under the prerequisite of abiding by relevant laws and administrative regulations, the general meeting may remove any director before the expiration of his/her term of office by way of an ordinary resolution, without prejudice to claims made by the director pursuant to any contract.

The general manager or other senior officers may concurrently serve as a director, but the total number of directors concurrently serving as the general manager or other senior officer positions shall be not more than half of the directors of the Company.

**Article 103** The directors shall comply with laws, administrative regulations and the Articles of Association, and bear the following faithful obligations to the Company:

- (I) Shall not take bribes or other illegal income by making use of the position, and not expropriate the properties of the Company;
- (II) Shall not misappropriate the funds of the Company;
- (III) Shall not save the assets or funds of the Company into the accounts opened in his own name or other personal names;
- (IV) Shall not violate the provisions of the Articles of Association, or without the consent of the general meeting or the Board, loan funds of the Company to others or provide the properties of the Company to others for guarantee;
- (V) Shall not violate the provisions of the Articles of Association, or without the consent of the general meeting, enter into a contract or transaction with the Company;

- (VI) Without the consent of the general meeting, shall not take advantage of the position, to seek business opportunities that shall belong to the Company for themselves or others, and engage in business similar to that of the Company by themselves or with others;
- (VII) Shall not accept and embezzle commissions from transactions with the Company;
- (VIII) Shall not disclose the secrets of the Company without authorization;
- (IX) Shall not impair the interests of the Company by making use of their associated relationship;
- (X) Other faithful obligations stipulated by laws, administrative regulations, and departmental rules and the Articles of Association.

The revenue obtained by the director in violation of this Article shall belong to the Company; in the event of causing losses to the Company, the director shall be liable for compensation.

**Article 104** The directors shall comply with the laws, administrative regulations and the Articles of Association, and bear the following diligence obligations to the Company:

- (I) Shall prudently, earnestly and diligently exercise the rights conferred by the Company, in order to ensure that the Company's business practices comply with the requirements of national laws, administrative regulations and economic policies; business activities shall not go beyond the business scope stipulated on the business license;
- (II) Shall be fair to all shareholders;
- (III) Shall timely understand the business operations and management of the Company;
- (IV) Shall sign a written confirmation to the Company's periodic reports, to ensure that the information disclosed by the Company is true, accurate and complete;
- (V) Shall truthfully provide relevant information and data to the Board of Supervisors, and shall not prevent the exercise of functions and power of the Board of Supervisors or the supervisors;
- (VI) Other diligence obligations stipulated by laws, administrative regulations, departmental rules and the Articles of Association.

**Article 105** A director shall be deemed incapable of carrying out his/her duties if he/she fails to attend two consecutive meetings of the Board either personally (attending or voting at the meeting of the Board by means of communication is deemed to attend in person) or by appointing other directors to attend on his/her behalf. The Board shall make a proposal to the general meeting to remove such a director.

**Article 106** The director may resign before the expiration of his/her term. The director shall submit a written resignation to the Board to resign. The Board shall disclose information regarding such resignation within two days.

Where the membership of the Board and its specialized committees of the Company is less than the statutory number due to the resignation of a director within his/her term of office, such director shall, until a new director is elected, continue to perform his/her duty as a director in accordance with laws, administrative regulations, departmental rules and the Articles of Association. The resignation report of the director shall not become effective until the vacancy resulting from his/her resignation is filled up by the succeeding director.

Except as provided in the preceding paragraph, the resignation of directors shall come into force upon the delivery of the resignation report to the Board.

**Article 107** When a director's resignation takes effect or his/her term of office expires, the director shall complete all handover procedures with the Board, and his/her fiduciary duties to the Company and shareholders shall not be discharged after the termination of office, but shall remain valid within a reasonable period specified in the Articles of Association. The duty of confidentiality of directors in relation to trade secrets of the Company survives the termination of their tenure until such trade secrets become public. The duration of other fiduciary duties of directors to the Company shall be determined in accordance with the principle of fairness, depending on the time lapse between the termination and the occurrence of the matter as well as the circumstances and conditions under which the relationship with the Company is terminated, but shall be not less than two years.

**Article 108** Without the provisions of the Articles of Association and the lawful authority of the Board, no director shall act on behalf of the Company or the Board in his/her own name. When a director acts in his/her own name, under the circumstances that a third party may reasonably believe that the director acts on behalf of the Company or the Board, the director shall declare his/her position and identity in advance.

**Article 109** A director that violates laws, administrative regulations, departmental rules or the Articles of Association and causes losses to the Company in performing duties of the Company shall be liable for compensation.

**Article 110** The Company has independent directors (equivalent to independent non-executive directors under the Hong Kong Listing Rules) and the issues including conditions of appointment, nomination and election procedures, tenure of office, resignation and power of the independent directors are implemented in accordance with the relevant provisions of the laws, administrative regulations, departmental rules and regulation rules of the place where the shares of the Company are listed. Unless otherwise stipulated in this Chapter, the provisions of the Articles of Association concerning the qualifications and duties of directors shall apply to independent directors.

**Article 111** Independent directors shall faithfully perform their duties and safeguard the interests of the Company, with particular attention to ensuring that the legitimate rights and interests of public shareholders are not jeopardized, so as to ensure that the interests of all shareholders are adequately represented. The functions and power of the independent non-executive directors and the related matters shall be subject to the relevant provisions of the laws, administrative regulations, departmental rules and the regulation rules of the place where the Company's shares are listed.

## Section 2 Board of Directors

**Article 112** The Company shall have a Board of Directors, which is accountable to the general meeting.

**Article 113** The Board is composed of nine directors, including one chairman. At all times, more than one-third of the members of the Board shall be independent directors, and the total number of independent directors shall be not less than three, at least one of whom shall have appropriate professional qualifications in line with regulatory requirements, or appropriate accounting or related financial management expertise.

**Article 114** The Board shall be accountable to the general meeting and exercise the following power:

- (I) To convene a general meeting and report to the meeting on the work of the Board;
- (II) To implement the resolutions of the general meeting;
- (III) To decide on the business plan and investment scheme of the Company;
- (IV) To formulate the annual financial budgetary plans and final accounting plans of the Company;
- (V) To formulate the profit distribution plan and loss recovery plan of the Company;
- (VI) To formulate plans of increasing or decreasing the Company's registered capital, issuing corporate bonds or other securities and going public;
- (VII) To formulate plans for substantial acquisition, acquisition of shares, or merger, division, dissolution and change of corporate form of the Company;
- (VIII) To acquire the Company's shares under any of the circumstances set forth in sub-paragraph (III), (V) and (VI) of the first paragraph of Article 23 of the Articles of Association within the scope of authorization of the general meeting or in accordance with the provisions of the listing rules of the stock exchange where the Company's shares are listed;
- (IX) To decide on matters of the Company's external investment, acquisition and disposal of assets, pledge over assets, external guarantees, entrusted wealth management, connected transactions, external donations and other matters within the scope of authorization by the general meeting or in accordance with the provisions of the listing rules of the stock exchange where the Company's shares are listed;
- (X) To examine and approve the transactions under Article 116 of the Articles of Association;
- (XI) To examine and approve the matters required to be adopted by the Board as stipulated in the Management Measures on Connected Transactions;
- (XII) To determine the setup of the Company's internal management structure;

- (XIII) To appoint or dismiss the general manager and Secretary to the Board of the Company; to appoint or dismiss senior officers such as financial officer according to the nomination of the general manager, and to decide on matters of remuneration, rewards and punishments;
- (XIV) To formulate the basic management system of the Company;
- (XV) To formulate the proposals for any amendment to the Articles of Association;
- (XVI) To request the general meeting to engage or replace the accounting firm that provides audits for the Company;
- (XVII) To debrief the work report of the general manager of the Company and check the work of the general manager;
- (XVIII) To manage the information disclosure of the Company;
- (XIX) Any other functions and power granted by the laws, administrative regulations, departmental rules, regulation rules of the place where the Company's shares are listed or the Articles of Association.

For matters resolved by the Board in the preceding paragraph, except for items (VI), (VII), (IX) and (XV) which shall be approved by a vote of at least two-thirds of the directors, the remaining items may be approved by a vote of more than half of the directors.

The aforementioned matters of power exercised by the Board of Directors beyond the scope of authorization of the general meeting, or any transactions or arrangements of the Company which are required to be considered by the general meeting pursuant to the listing rules of the stock exchange where the Company's shares are listed, shall be submitted to the general meeting for consideration.

**Article 115** The Board shall formulate the rules of procedures for the Board, so as to ensure that the Board implements the resolutions of the general meeting, and works more efficiently to make reasonable decisions. The rules of procedures shall be prepared by the Board, approved at the general meeting, and attached to the Articles of Association as an appendix.

**Article 116** Transactions of the Company that meet one of the following criteria shall be considered and approved by the Board:

- (I) Where the total assets involved in the transaction account for more than 5% of the total assets of the Company, or the transaction amount (including the debts and expenses assumed) accounts for more than 5% of the market value of the Company and the transaction amount is different from the fair value, whichever is higher shall be taken as the calculation data;
- (II) The operating income of the transaction object accounts for more than 5% of the operating income of the Company;
- (III) The net profit of the transaction object accounts for more than 5% of the net profit of the Company.

If the data involved in the calculation of the above indicators is negative, the absolute value of the data shall be used. The same type of transactions related to the transaction object of the Company within 12 months shall be submitted to the competent authorities for consideration based on the principle of accumulative calculation.

Transactions between the Company and its controlling subsidiaries within the scope of the consolidated statements or between the controlling subsidiaries shall be exempted from consideration in accordance with the provisions of this section, unless otherwise stipulated or detrimental to the lawful rights and interests of shareholders.

Transactions that fail to meet the above standards shall be subject to the approval of the general manager or his/her authorized person in line with the internal system.

**Article 117** The chairman of the Board shall be elected and removed by more than half of all the directors. The term of office of the chairman shall be three years, renewable upon re-election.

**Article 118** The chairman of the Board shall exercise the following power:

- (I) To preside over general meetings and convene and preside over Board meetings;
- (II) To procure and examine the implementation of resolutions of the Board;
- (III) To sign share certificates, corporate bonds and other securities issued by the Company;
- (IV) To sign important documents of the Board;
- (V) To exercise the special disposal power on the Company affairs in line with the interests of the Company in accordance with the laws and regulations in case of an emergency of force majeure such as a major natural disaster, and report to the Board or the general meeting of the Company afterwards; and
- (VI) To exercise other power as set forth by the Board or in the laws, administrative regulations and regulatory rules of the place where the Company's shares are listed.

The Board shall authorize the chairman expressly by the resolutions of the Board, and provide clear and specific authorization matters, content and authorities. All matters involving the Company's material interests shall be collectively determined by the Board. The Board shall not authorize the chairman or any directors to determine such matter.

**Article 119** Where the chairman of the Board is unable to perform duties or fails to perform duties, more than half of the directors shall elect one director to perform duties.

**Article 120** The Board discusses official business by way of the meetings of the Board of Directors, which consist of regular meetings and extraordinary meetings. The Board shall hold at least four regular meetings every year, convened by the chairman of the Board, with a notice in writing given to all directors and supervisors 14 days' before the meeting.

**Article 121** Shareholders representing more than one-tenth of the voting rights, more than one-third of the directors, more than half of the independent directors, the Board of Supervisors, the chairman of the Board or the general manager may propose an extraordinary Board meeting. The chairman of the Board shall convene and preside over an extraordinary Board meeting within ten days after receiving the proposal.

**Article 122** The notice for an extraordinary Board meeting shall be delivered to all directors and supervisors five days before the meeting. Where the extraordinary Board meeting is needed to be held as soon as possible under an emergency situation, the delivery of the notice regarding the forthcoming meeting shall not be subject to the time-limit specified above.

**Article 123** The meeting notice of the Board meeting shall include at least the following:

- (I) The date and venue of the meeting;
- (II) The duration of the meeting;
- (III) The subject and issues to be discussed;
- (IV) The date of the notice;
- (V) The contact of the meeting and his/her contact information.

**Article 124** The meeting of the Board shall be held upon the attendance of more than half of the directors.

“One person, one vote” is performed for the vote on resolutions of the Board. When the numbers of votes against and for a certain proposal are equal, the chairman of the Board shall have a casting vote.

**Article 125** Where a director or any of his/her close associates (as defined in the Hong Kong Listing Rules) has a material interest in or associated relationship with the matter to be discussed by the Board, such a director shall not, when such matter is being discussed by the Board, exercise the right to vote on the resolution, nor exercise voting rights on behalf of other directors, nor be counted in the quorum of the meeting. The Board meeting may be held upon the attendance of more than half of the directors without associated relationship, and the resolution of the Board meeting shall be adopted by more than half of the directors without an associated relationship. Where the Board meeting is attended by less than three directors without an associated relationship, the matter shall be submitted to the general meeting for deliberation.

**Article 126** A vote at the meeting of the Board shall be taken by poll or by show of hands.

Board meetings may be held and voted on the spot, through communication or a combination of both. Regular meetings of the Board, meetings on the consideration of matters in which the Board considers that substantial shareholders or directors have a material conflict of interests, or meetings concerning other circumstances as stipulated by laws and regulations, regulatory rules of the place where the Company’s shares are listed or the Articles of Association shall not be convened by way of voting through correspondence.

**Article 127** The meeting of the Board shall be attended by directors personally. The director unable to attend for a certain reason may appoint another director to attend the meeting in a written form, the power of attorney shall clearly state the agent’s name, the agency matters, and the scope and validity of authorization, and shall be signed and sealed by the principal. The director who attends the meeting on behalf of another director shall exercise the rights of directors within the authority. The director not attending the Board meeting and not entrusting a representative to attend the meeting shall be deemed to have waived the right to vote at the meeting.

**Article 128** The Board shall make meeting minutes for all decisions on matters discussed at the meeting, and the attending directors and the minute-taker shall sign the meeting minutes.

The directors shall be responsible for resolutions of the Board. Where the Board resolutions violate laws, administrative regulations or the Articles of Association, resulting in serious losses to the Company, the directors involved in the resolution shall be liable for compensations to the Company. But the director whose vote is proved to express dissent and is recorded in the minutes may be exempted from liability.

The minutes of the Board meeting shall be kept as corporate files for a period of not less than ten years.

**Article 129** The minutes of the Board meeting shall contain the following information:

- (I) The date and venue of the meeting and the name of the convener;
- (II) The name of the director present and the name of the director (agent) appointed by others to attend the Board meeting;
- (III) The agenda of the meeting;
- (IV) The main points made by the directors;
- (V) The table method and results of each item (the results of the table shall indicate the number of votes approved, opposed or abstained).

### **Section 3 Specialized Committees of the Board**

**Article 130** The Board shall establish the Audit Committee and may establish the Nomination Committee, the Remuneration and Appraisal Committee, the Strategy Committee and other relevant specialized committees as needed. The specialized committees are accountable to the Board and perform their duties in accordance with the Articles of Association and authorization by the Board. Their proposals shall be submitted to the Board for deliberation and decision. The membership of the specialized committees shall all be composed of directors: independent directors shall account for more than half of the members of the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee; the chairmen of the Audit Committee and the Remuneration and Appraisal Committee shall be independent directors, and the chairman of the Nominating Committee shall be the chairman of the Board or an independent director; the members of the Audit Committee shall be a non-executive director, at least one of whom shall be an independent director with appropriate professional qualifications as stipulated in the Hong Kong Listing Rules, or with appropriate accounting or relevant financial management expertise. The members of the specialized committees shall be appointed and removed by the Board.

**Article 131** The Board shall formulate the rules of procedures and working rules for each specialized committee, stipulating the composition, functions and power, and procedures of the committee, so as to regulate its operation.

**Article 132** The specialized committees of the Board are special bodies under the Board designed to provide suggestions or advice to the Board on major decisions. The specialized committees shall not make any resolutions in the name of the Board, but may, under special authorization by the Board, exercise its decision-making power on authorized matters.

**Article 133** The specialized committees may engage intermediary agencies to provide professional advice according to actual needs, and the relevant expenses shall be borne by the Company.

The specialized committees are accountable to and report to the Board.

## **Chapter VI General Manager and Other Senior Officer**

**Article 134** The Company has one general manager and one board secretary. The general manager, the deputy general manager, the board secretary, and the finance officer are senior officers of the Company and shall be appointed or dismissed by the Board.

**Article 135** The general manager, in performing his/her functions and powers, shall act honestly and diligently and in accordance with laws, administrative regulations and the Articles of Association.

**Article 136** Persons who hold positions other than the non-executive positions in the Company's controlling shareholders, de facto controllers and their close associates (as defined in the Hong Kong Listing Rules) shall not serve as directors or senior officer of the Company.

Senior officers of the Company shall be remunerated only by the Company and not by the controlling shareholder on behalf of the Company.

**Article 137** The term of office of the general manager shall be three years, and may serve consecutive terms upon expiry of the term of office.

**Article 138** The general manager of the Company shall be accountable to the Board and exercise the following powers:

- (I) to manage the production and operation management of the Company, organizing the execution of the Board's resolutions, and reporting the relevant work to the Board;
- (II) to organize the implementation of the annual business plan and investment scheme of the Company;
- (III) to prepare proposals for the internal management organization setting scheme of the Company;
- (IV) to prepare proposals for the basic management system of the Company;
- (V) to develop the specific rules of the Company;
- (VI) to propose the appointment or termination of the deputy general manager or financial officer of the Company to the Board;
- (VII) to decide to appoint or remove the officers other than those subject to the decision of the Board;

- (VIII) to deal with transactions that are not stipulated in the Articles of Association and whose approving standards need to be deliberated by the general meeting or the Board;
- (IX) other powers granted by the Articles of Association or the Board.

The general manager may attend the Board meetings. The general manager who is not a director has no right to vote at the Board meetings.

**Article 139** The general manager shall formulate detailed working rules of the general manager. Such working rules shall be implemented upon approval by the Board.

**Article 140** The working rules of the general manager shall contain the following:

- (I) conditions for the convening of and the procedure for the general manager's meetings, the personnel to attend the meeting;
- (II) specific duties and division of work of the general manager and other senior officer;
- (III) the authority to use the Company's funds and assets and enter into material contracts, and the system of reporting to the Board and the Board of Supervisors;
- (IV) other matters as the Board considers necessary.

**Article 141** The general manager and other senior officer can tender his or her resignation prior to the expiry of his or her term of office. The specific procedures for such resignation shall be governed by the labour contract between the aforesaid personnel and the Company.

**Article 142** The Company shall have several deputy general managers who shall be responsible for assisting the general manager. The deputy general manager and finance officer shall be nominated by the general manager and appointed and dismissed by the Board.

**Article 143** The Company shall have a secretary to the Board, The secretary to the Board shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed by the Board, whose main duties are:

- (I) to ensure that the Company has complete organizational documents and records;
- (II) to ensure that the Company prepares and submits reports and documents required by competent authorities in accordance with the law;
- (III) to ensure that the register of shareholders of the Company is properly maintained and that persons entitled to obtain the relevant records and documents of the Company can timely obtain such records and documents.

**Article 144** Directors or other senior officer of the Company may concurrently serve as the secretary to the Board. However, the accountants of the accounting firm engaged by the Company shall not act as the secretary to the Board.

Where the secretary to the Board is also a Director, if an act is required to be done by a Director and the secretary to the Board separately, the person who holds the office of Director and the secretary to the Board shall not do the act in his/her dual capacity.

**Article 145** If a senior officer breaches the laws, administrative regulations, departmental rules or the Articles of Association when performing his/her duties and causes losses to the Company, he/she shall be liable for the damages.

**Article 146** The senior officers of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If a senior officer of the Company fails to faithfully perform his or her duties or violate his or her fiduciary duties and causes damage to the interests of the Company and the public shareholders, he or she shall be liable for compensation in accordance with the law.

## **Chapter VII Board of Supervisors**

### **Section 1 Supervisor**

**Article 147** The directors, general manager, and senior officers shall not concurrently serve as a supervisor.

**Article 148** The supervisors shall comply with laws, administrative regulations and the Articles of Association, and bear the faithful obligations and diligence obligations to the Company, shall faithfully perform supervision duties, and shall not take bribes or other illegitimate benefits by making use of the position, and not seize the properties of the Company.

**Article 149** The term of office of supervisors is three years. A supervisor may, if reelected upon expiration of the term of office, serve consecutive terms.

**Article 150** Where no election is conducted in time before the expiration of the term of office of a supervisor, or the number of the supervisors in the Board of Supervisors of the Company is less than the statutory number due to the resignation of a supervisor within his/her term of office, the existing supervisor shall, before the supervisor elected takes office, continue to perform his/her duty as a supervisor in accordance with laws, administrative regulations, and the Articles of Association.

**Article 151** A supervisor shall ensure that the information disclosed by the Company is true, accurate and complete.

**Article 152** The supervisors may attend the meetings of the Boards, and may inquire about or put forth proposals on matters covered by resolutions of the Board.

**Article 153** The supervisors shall not use their connected relationships to impair the interests of the Company; in the event of causing losses to the Company, the supervisor shall be liable for compensation.

**Article 154** The supervisors that violate laws, administrative regulations, departmental rules or the Articles of Association and cause losses to the Company in performing duties of the Company shall be liable for compensation.

## **Section 2 Board of Supervisors**

**Article 155** The Company shall have a Board of Supervisors, which shall consist of three supervisors, including one chairman. The appointment or dismissal of the chairman of the Board of Supervisors shall be determined by more than half of the members of the Board of Supervisors. The chairman of the Board of Supervisors shall convene and preside over the meeting of the Board of Supervisors. When the chairman of the Board of Supervisors is unable or fails to perform his or her duty, a supervisor jointly recommended by more than half of the supervisors shall convene and preside over the meeting of the Board of Supervisors.

The Board of Supervisors shall include shareholder representatives and a certain proportion of staff representatives of the Company, and the proportion of staff representatives shall be not less than one-third of the total number of supervisors. The staff representatives are democratically elected and removed by the Company's staff at the staff representative assembly, general staff meeting or otherwise. The shareholder representatives are elected and removed by the general meeting.

**Article 156** The Board of Supervisors shall be accountable to the general meeting and exercise the following functions and power:

- (I) To examine the Company's financial affairs;
- (II) To supervise the acts of the directors and senior officers, and propose the dismissal of directors and senior officers who violate the laws, administrative regulations, the Articles of Association, or resolutions of general meetings;
- (III) When the action of any director or senior officer is found to damage the interests of the Company, to urge them to make corrections;
- (IV) To propose the convening of extraordinary general meetings and, in case the Board does not perform the obligations to convene and preside over the general meetings in accordance with Company Law and the Articles of Association, convene and preside over the general meetings;
- (V) To submit proposals to the general meetings;
- (VI) To liaise with directors or prosecute directors on behalf of the Company;
- (VII) To conduct an investigation if there are any unusual circumstances in the Company's operations; and if necessary, engaging a law firm, accounting firm, or other professional institutions to assist in their work with expenses to be borne by the Company;
- (VIII) To verify financial information such as financial reports, business reports, profit distribution plans, etc. that the Board intends to submit to the general meeting and, if in doubt, appoint a registered accountant or practicing auditor in the name of the Company to assist in reviewing such information;

(IX) To exercise other functions and power prescribed in the Articles of Association of the Company.

**Article 157** All reasonable expenses incurred in respect of the employment of professionals such as lawyers, certified public accountants or practicing auditors as are required by the Board of Supervisors in discharging its duties shall be borne by the Company.

**Article 158** Meetings of the Board of Supervisors are composed of regular meetings and extraordinary meetings. The Board of Supervisors shall hold at least one regular meeting every six months and at least two meetings every year. The chairman of the Board of Supervisors shall be responsible for convening meetings of the Board of Supervisors. The supervisors may propose to convene an extraordinary meeting of the Board of Supervisors.

A supervisor shall be deemed incapable of carrying out his/her duties if he/she fails to attend two consecutive meetings of the Board of Supervisors either personally (attending or voting at the meeting of Board of Supervisors by means of communication is deemed to attend in person) or by appointing other supervisors to attend on his/her behalf. The general meeting or the staff representative assembly shall remove such supervisor.

**Article 159** Notice of a regular meeting and an extraordinary meeting of the Board of Supervisors shall be given to all supervisors ten days and three days in advance respectively. Where the extraordinary meeting of the Board of Supervisors is needed to be held as soon as possible under an emergency situation, the delivery of the notice regarding the forthcoming meeting shall not be subject to the time-limit specified above.

**Article 160** The notice of the extraordinary meeting of the Board of Supervisors shall contain at least the following:

- (I) The date, time and duration of the meeting;
- (II) The subject and issues to be discussed;
- (III) The date of the notice.

**Article 161** Meetings of the Board of Supervisors may be held and voted on the spot, through communication or a combination of both.

Each supervisor shall have one vote. The meeting of the Board of Supervisors shall be attended by supervisors personally. The supervisor unable to attend for a certain reason may appoint another supervisor to attend the meeting in a written form, the power of attorney shall clearly state the agent's name, the agency matters, and the scope and validity of authorization, and shall be signed and sealed by the principal. The supervisor who attends the meeting on behalf of another supervisor shall exercise the rights of supervisors within the authority.

The resolutions of the Board of Supervisors shall be adopted by more than half of the members of the Board of Supervisors.

**Article 162** The Board of Supervisors shall formulate the rules of procedures for the Board of Supervisors, stipulating its methods of discussing official business and voting procedures, so as to ensure its efficient operation and reasonable decision-making. The rules of procedures for the Board of Supervisors shall be annexed to the Articles of Association and shall be prepared by the Board of Supervisors and approved by the general meeting.

**Article 163** The Board of Supervisors shall make meeting minutes for all decisions on matters discussed at the meeting, and the attending supervisors shall sign the meeting minutes.

The supervisors have the right to demand that a certain explanatory record be made on their speeches at the meeting. The meeting minutes of the Board of Supervisors shall be kept as corporate files for a period of not less than ten years.

When a vote is taken by means of communication, the supervisors shall fax their written opinions and voting intentions on the matter deliberated to the office of the Board of Supervisors upon confirmation by signing. The supervisors voting by means of communication shall send the original copy of their signed votes to the Board of Supervisors within the time limit specified in the meeting notice.

### **Chapter VIII Qualifications and Duties of the Directors, Supervisors, General Manager and Senior Officers of the Company**

**Article 164** None of the following persons may serve as a director, supervisor, general manager or other senior officers of the Company:

- (I) Persons without capacity or with limited capacity for civil acts;
- (II) Persons who were sentenced for crimes of corruption, bribery, encroachment or embezzlement of property or disruption of the social and economic order, where five years have not lapsed following the serving of the sentence, or persons who were deprived of their political rights for committing a crime, where five years have not lapsed following the serving of the sentence;
- (III) Persons who acted as directors, or factory managers or managers of companies or enterprises which were bankrupt or liquidated due to poor performance and management and who shall bear personal liability for the bankruptcy or liquidation of such companies or enterprises, where three years have not lapsed following the date of completion of such bankruptcy or liquidation;
- (IV) The legal representatives of companies or enterprises that had their business licenses revoked as a result of violating the law, and where such representatives bear personal liability therefore and three years have not lapsed following the date of revocation of such business licenses;
- (V) Persons with relatively heavy individual debts that have not been settled upon maturity;
- (VI) Persons against whom a case has been established for investigation by the judicial authorities as a result of suspected violation of the criminal law, and such case has not been closed;
- (VII) Persons who may not act as leaders of enterprises by virtue of the laws and administrative regulations;

(VIII) Non-natural persons;

(IX) Persons ruled by a relevant organization in charge to have violated securities-related regulations, where such violation involved fraudulent or dishonest acts and five years have not lapsed following the date of the ruling;

(X) Any other circumstance as prescribed by the laws, administrative regulations, departmental rules, normative documents, or relevant regulatory authorities.

Any election, designation or appointment of directors, supervisors, general manager or other senior officers in violation of this provision shall be invalid. The Company shall dismiss the director, supervisor, general manager or other senior officers if they are involved in the said circumstances during their respective term of office.

**Article 165** The obligation of honesty and credibility of the Company's directors, supervisors, general manager and other senior officers does not necessarily cease with the termination of their office. Their confidentiality obligation in relation to the Company's trade secrets shall continue after the termination of their office. The term for which other obligations shall continue shall be decided upon in accordance with the principle of fairness, depending on the time lapse between the termination and the occurrence of the matter as well as the circumstances and conditions under which the relationship with the Company is terminated.

The liability of directors, supervisors, general manager and other senior officers of the Company for breaching a given obligation may be waived by the general meeting that has knowledge of the circumstances.

**Article 166** If the director, supervisor, the general manager or other senior officers violate the obligations to the Company, the Company shall be entitled to take the following measures in addition to the rights and remedial measures under the relevant laws and administrative regulations:

- (I) Require the director, supervisor, general manager or other senior officers to compensate the Company for the losses arising from their negligence;
- (II) Rescind the contracts or transactions concluded between the Company and the directors, supervisors, general manager and other senior officers of the Company, and between the Company and a third person (if the third person knows or is supposed to know that the directors, supervisors, general manager and other senior officers representing the Company have breached their obligations to the Company);
- (III) Require the relevant directors, supervisors, general manager and other senior officers to surrender interests earned from monies payable to the Company.
- (IV) Recover any fund received by the director, supervisor, general manager and other senior officers which shall have been otherwise received by the Company, including (but not limited to) commissions;
- (V) Demand repayment of the interest earned or which may have been earned by the director, supervisor, general manager and other senior officers on the funds that shall have been paid to the Company.

## Chapter IX Financial Accounting Systems, Profit Distribution and Audit

### Section I Financial Accounting Systems

**Article 167** The Company shall establish the financial and accounting system in line with the laws, administrative regulations and provisions of relevant state authority. The provisions of the securities regulators in the stock listing region of the Company, if specifying otherwise, shall prevail.

**Article 168** The Company shall prepare the financial report at the end of each accounting year, and such financial report shall be reviewed and validated according to laws.

**Article 169** The Board of Directors of the Company shall, at each annual Shareholders' General Meeting, submit the financial report that shall be prepared by the Company subject to relevant laws, regulations and normative documents published by local governments and sponsoring authorities to the shareholders.

The financial report as said in the preceding paragraph shall include the report of the Board of Directors together with the balance sheet (including various documents that shall be attached as specified by the laws or administrative regulations of China and other regions), the income statement (profit statement), the statement of income and expenditure (cash flow statement) or the financial summary report approved by the Hong Kong Exchanges and Clearing Limited (provided that it doesn't violate related laws of China).

The financial report of the Company shall be kept in the Company to be inquired about by the shareholders at least 20 days before the annual Shareholders' General Meeting is held. Each shareholder of the Company shall have the right to obtain the financial report mentioned in this chapter.

Unless otherwise specified by these Articles of Association, the Company shall deliver the duplicate of the aforesaid financial report or the report of the Board of Directors together with the balance sheet (including every document that shall be attached to the balance sheet pursuant to laws) and the income statement or profit statement or post them in the mails with the postage paid to each holder of the overseas listed shares at least 21 days before the annual Shareholders' General Meeting is held, and the addresses of the recipients shall be subject to the registration in the list of shareholders. Nevertheless, the notice can be delivered to the holders of overseas listed shares by publishing on the Company's website, the website of Hong Kong Exchanges and Clearing Limited and other websites stipulated by the Hong Kong Listing Rules from time to time, provided that the delivery complies with the requirements of laws, administrative regulations and requirements of the securities regulators in the stock listing region of the Company.

**Article 170** The financial statements of the Company shall be prepared in accordance with the Chinese accounting standards, laws and regulations, and also be prepared in accordance with the international accounting standards or the accounting standards in the overseas listing region. If there is any significant discrepancy between the financial statements prepared in accordance with two accounting standards, such discrepancy shall be specified in the notes on the financial statements. When the Company distributes the after-tax profit for relevant accounting year, the lower after-tax profit in the aforesaid financial statements shall prevail.

**Article 171** The interim performance report or financial statements published or disclosed by the Company shall be prepared in accordance with the Chinese accounting standards, laws and regulations, and also be prepared in accordance with the international accounting standards or the accounting standards in the overseas listing region.

**Article 172** The Company publishes the financial report twice each accounting year, that is, publish the interim financial report within 60 days after the first 6 months of the accounting year ends, and publish the annual financial report within 120 days after the accounting year ends.

**Article 173** The Company will not maintain a separate account book except the statutory account book. The assets of the Company shall not be deposited in any account opened in the personal name.

**Article 174** The Company shall, when distributing the post-tax profit of an accounting year, accrue 10% of the profit to list it in the legal reserve of the Company. The Company may not further accrue the legal reserve when its accumulative amount exceeds 50% of the registered capital of the Company.

Where the legal reserve of the Company doesn't suffice to cover the loss in the previous years, the Company shall recover the loss with the annual profit before accruing the legal reserve in accordance with the preceding paragraph.

After accruing the legal reserve out of the post-tax profit, the Company can also accrue the discretionary reserve out of the post-tax profit after the Shareholders' General Meeting makes a resolution.

The post-tax profit left after the loss recovery and accrual of the reserves shall be distributed in proportion according to the shareholding proportions of the shareholders, unless otherwise specified under these Articles of Association.

If the Shareholders' General Meeting violates the preceding section by distributing the profit to the shareholders before the loss recovery and accrual of the legal reserve, the shareholders shall return the profit distributed in violation of the law to the Company.

The shares of the Company held by the Company shall be excluded from the profit distribution.

**Article 175** Surplus reserves of the Company shall be used for loss recovery, business expansion or registered capital replenishment of the Company. Nevertheless, the capital reserve will not be used to offset the loss of the Company.

When the legal reserve is converted into the registered capital, the remaining amount of such reserve shall not be less than 25% of the registered capital of the Company before the conversion.

**Article 176** After the Shareholders' General Meeting makes a resolution on the profit distribution plan, the Board of Directors of the Company shall complete the distribution of the dividend (or shares) within 2 months after the holding of the Shareholders' General Meeting.

**Article 177** The Company can distribute the profit in cash or by shares.

**Article 178** The Company shall appoint collection agents for holders of foreign shares listed overseas. The agents shall receive the dividends and other amounts payable distributed by the Company to the foreign shares listed overseas on behalf of relevant shareholders.

The collection agent appointed by the Company shall comply with the requirements set out by the laws in the listing region or related provisions of the stock exchange.

## **Section 2 Appointment of Accounting Firm**

**Article 179** The Company shall engage an independent Accounting statement that conforms to relevant provisions of the state to audit the annual financial reports and review other financial reports of the Company.

**Article 180** The decision to engage an accounting firm shall be made by the Shareholders' General Meeting, and the Board of Directors shall not decide to appoint an accounting firm before the Shareholders' General Meeting makes the decision. The term of the accounting firm appointed by the Company shall range from the ending of the current annual meeting of shareholders of the Company to the ending of next annual meeting of shareholders.

**Article 181** The Company warrants to provide authentic, integral accounting vouchers, accounting books, financial accounting reports and other accounting documents to the engaged accounting firm, and commits no refusal, concealment or incorrect presentation.

**Article 182** The remuneration of the accounting firm shall be determined by the Shareholders' General Meeting.

**Article 183** When deciding to dismiss or no longer extend the engagement of the accounting firm, the Bank shall notify the accounting firm 30 days in advance. When the Shareholders' General Meeting of the Bank votes on the decision to dismiss the accounting firm, the accounting firm shall be allowed to state its opinions.

When the accounting firm asks to resign from the position, the accounting firm shall state to the Shareholders' General Meeting whether the Company has had any improper causes or events.

## **Chapter X Notice & Announcement**

**Article 184** Notices of the Company (including without limitation to notices on meetings of the Shareholders' General Meeting, the Board of Directors and the Board of Supervisors) shall be sent in the following manners:

- (I) Send by courier;
- (II) Send by fax;

- (III) Send by mail;
- (IV) Send by email;
- (V) Send by publishing an announcement;
- (VI) Do it by publishing an announcement on newspapers and other designated media;
- (VII) The Company can take the form of announcement on the website of the Company and the website designated by the stock exchange in the stock listing region of the Company to the extent allowed by laws, administrative regulations, industrial provisions and normative documents;
- (VIII) Other forms recognized by the securities regulator in the stock listing region of the Company or specified by these Articles of Association.

These Articles of Association don't forbid the notice sent to a shareholder with the registered address out of Hong Kong.

A notice given by the Company through public announcement shall be deemed to have been received by all intended recipients upon announcement. The provisions of the securities regulators in the stock listing region of the Company, if specifying otherwise, shall prevail.

Even if these Articles of Association otherwise specify the publishing or notification method for any document, notice or other company correspondence, the Company can opt to publish the company correspondence in the notification method stipulated in item (VII), paragraph 1 of this article, rather than delivering written documents by courier or mails with the prepaid postage to every holder of overseas listed shares, to the extent allowed by relevant provisions of the securities regulators in the stock listing region of the Company. The aforesaid company correspondence means any document sent or to be sent for the shareholders to serve as reference or take any action, and includes but is not limited to the annual report (including annual financial report), interim report (including interim financial report), report of the Board of Directors (together with the balance sheet and the income statement), notice of the Shareholders' General Meeting, circular and any other correspondence document.

If the Company is authorized to send notices in the form of advertisement, such advertisement can be published on newspapers, and these Articles of Association don't forbid the notice sent to a shareholder with the registered address out of Hong Kong.

**Article 185** Deliver Date of the Company's Notice:

- (I) If a notice of the Company is sent by courier, the recipient or his or her agent shall sign (or stamp) the delivery receipt, and the date of signature of the receipt or his or her agent shall be the delivery date;
- (II) If the notice is sent by fax, the delivery date shall be the fax date;
- (III) If the notice is by mail, the delivery date shall be 2 working days after the date delivered to the post office;

- (IV) If the notice is by telegram, the delivery date shall be 2 working days after the telegraph is sent;
- (V) If a notice is sent through an announcement, the first announcement date shall be the delivery date.

**Article 186** If the notice on the Shareholders' General Meeting fails to be delivered by accident to a person entitled to receive the notice or such person fails to receive the notice, the meeting and the resolution it makes shall not become invalid on account of this reason.

**Article 187** If relevant provisions of the securities regulators in the stock listing region of the Company require the Company send, post, distribute, issue, publish or otherwise provide relevant documents of the Company in English and in Chinese, and the Company has made an appropriate arrangement to determine whether the shareholders hope to only receive the English version or the Chinese version, the Company can (according to the will stated by the shareholders) send only the English version or the Chinese version to relevant shareholders to the extent as permitted by, and in line with, the applicable laws and regulations.

**Article 188** The Company delivers announcements and makes information disclosures to the domestic shareholders through the information disclosure newspapers and websites designated by laws, administrative regulations or domestic regulators. If these Articles of Association specify announcements shall be sent to holders of H shares, relevant announcements shall be simultaneously published on the newspaper, magazine website and/or the Company's website as defined by the Hong Kong Listing Rules.

## **Chapter XI Merger, Separation, Capital Increase, Capital Reduction, Dissolution and Liquidation**

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

**Article 189** The merger of the Company can take the form of absorption merger or establishment merger.

The absorption merger means one company absorbs another company and the absorbed company will be dissolved. Establishment merger means two or more companies merge and establish a new company, and the parties to the merger will be dissolved.

**Article 190** In the case of any merger to which the Company is a party, the Company shall enter into a merger agreement and prepare the balance sheet and the property list. The Company shall notify its creditors of merger within 10 days after such resolution is adopted and make a public announcement on a newspaper within 30 days. The creditors shall have the right to require the Company liquidate the debts or offer the corresponding guarantee for debt service within 30 days after receipt of the notice or within 45 days if they don't receive the notice.

**Article 191** When the Company consolidates, the credits and debts of all the parties to the consolidation shall be succeeded by the surviving company or the newly established company.

**Article 192** When the Company is separated, its property shall be correspondingly separated.

In the case of consolidation, relevant parties to the consolidation shall sign a consolidation agreement, and prepare the balance sheet and the property list. The Company shall notify its creditors of merger within 10 days after such resolution is adopted and make a public announcement on a newspaper within 30 days.

**Article 193** Companies resulting from the separation of the Company shall be severally and jointly liable for pre-separation obligations of the Company, unless otherwise stated in the written agreement made between the Company and its creditors prior to the split-up in respect of discharge of obligations.

**Article 194** The Company shall compile the balance sheet and the property list when reducing the registered capital.

The Company shall notify its creditors of registered capital reduction within 10 days after such decision is made and make a public announcement on a newspaper within 30 days. The creditors shall have the right to require the Company liquidate the debts or offer the corresponding guarantee for debt service within 30 days after receipt of the notice or within 45 days if they don't receive the notice.

**Article 195** If the consolidation or separation of the Company involves the change in registration affairs, the Company shall handle the change registration with the company registration authority according to the law; if the Company is dissolved, it shall handle the write-off registration; and if a new company is established, the Company shall handle the establishment registration according to the law.

The registered capital of the Company after any reduction shall not be lower than the statutory minimum amount.

The Company shall complete the change registration with the company registration authority according to the law after a capital increase or decrease.

## **Section 2 Dissolution and Liquidation**

**Article 196** The Company is dissolved for the following causes:

- (I) The operating term specified in these Articles of Association expires and other dissolution causes specified in these Articles of Association occur;
- (II) The Shareholders' General Meeting resolves to dissolve the Company;
- (III) When dissolution is necessary due to merger or division of the Company;
- (IV) Deprived of the business license, or ordered to close down or be dissolved;
- (V) The shareholders holding more than 10% of the voting rights of the Company may request the court dissolve the Company, when the Company suffers serious difficulty in business and operation, its further existence will seriously harm the interests of the shareholders, and other ways have been exhausted.
- (VI) Other circumstances under which the Company should be dissolved as stipulated by laws and regulations.

**Article 197** When the situation stated in item (I) of the preceding article is true, the Company can exist by amending these Articles of Association.

When these Articles of Association are revised pursuant to the preceding sentence, the decision shall be adopted by the shareholders representing at least 2/3 of the voting rights at the Shareholders' General Meeting.

**Article 198** The Company shall establish the liquidation group to start the liquidation within 15 days after the dissolution event occurs, if the Company is dissolved due to items (I), (II), (IV) and (V) of Article 196 of these Articles of Association. The liquidation group shall be composed of directors or other persons determined by the Shareholders' General Meeting. Where the liquidation group is not established within the aforesaid period, the creditors can request the people's court to designate related people to form a liquidation group for liquidation.

**Article 199** The liquidation team shall exercise the following functions and powers during the liquidation period:

- (I) To clear up the assets of the Company and prepare the balance sheet and the schedule of property, respectively;
- (II) To notify the creditors through notices and public announcements;
- (III) To handle the outstanding business of the Company in connection with liquidation;
- (IV) To settle the tax arrears and the taxes arising from the liquidation process;
- (V) To settle claims and debts;
- (VI) To dispose of the remaining property of the Company after full payment of debts;
- (VII) To participate in civil litigation on behalf of the Company.

**Article 200** The liquidation team shall inform the creditors within 10 days after establishment, and make an announcement on the newspaper within 60 days. The creditors shall declare their credits to the liquidation group within 30 days after receipt of the notice, or within 45 days after the date of the announcement, if they don't receive the notice.

The creditors shall, while declaring their claims, state particulars of their claims and provide supporting documents. The liquidation group shall register the credits.

During the declaration of credit, the liquidation group shall not perform the liquidation to the creditors.

**Article 201** After disposing of the properties of the Company and preparing the balance sheet and the property list, the liquidation team shall formulate the liquidation plan, and submit it to the Shareholders' General Meeting or relevant people's court for confirmation.

All the properties of the Company shall be distributed according to the classes and proportions of the shares held by the shareholders of the Company after such properties are used to pay the liquidation expense, staff salaries, social insurance expenses, legal compensations, taxes in arrears and debts of the Company.

During the liquidation, the Company will exist, but shall not engage in any operating activity not related to the liquidation. The properties of the Company shall not be distributed to the shareholders before the liquidation set forth under the preceding paragraph.

**Article 202** If the Company is liquidated due to dissolution, the liquidation group shall immediately apply to declare bankruptcy to the people's court according to laws when finding the property of the Company doesn't suffice to liquidate the debts after disposing of the properties of the Company and preparing the balance sheet and the property list.

After the Company is declared bankrupt by the people's court, the liquidation team shall hand over liquidation affairs to the people's court.

**Article 203** After the liquidation of the Company finishes, the liquidation team shall prepare the liquidation report, submit the report to the Shareholders' General Meeting or the people's court for confirmation, and submit to the company registration authority to apply to write off the registration of the Company, and announce the termination of the Company.

**Article 204** Members of the liquidation team shall perform duties faithfully and discharge liquidation obligations in accordance with laws.

The liquidation team members shall not exploit their authority to accept bribes or other illegal income, and shall not misappropriate the property of the Company.

If any member of the liquidation team causes any loss to the Company or its creditors due to his/her intention or gross negligence, he/she shall be liable for compensation.

**Article 205** Where the Company is declared bankrupt in accordance with laws, bankruptcy liquidation shall be carried out pursuant to laws on business bankruptcy.

## **Chapter XII Revision of Articles of Association**

**Article 206** The Company can amend these Articles of Association pursuant to laws, administrative regulations and the provisions of these Articles of Association.

**Article 207** These Articles of Association shall be amended if:

- (I) These Articles of Association are in conflict with the revised Company Law, or relevant laws and administrative regulations;
- (II) Any change has occurred to the Company's conditions recorded in these Articles of Association; or
- (III) The Shareholders' General Meeting decides to revise these Articles of Association.

If the revision of these Articles of Association adopted by resolution of the Shareholders' General Meeting should be examined and approved by the Competent Authority, they must be reported to the Competent Authority for approval. If the revision involves company registration affairs, the Company shall handle the change registration according to the law.

**Article 208** Any amendment to these Articles of Association that has been adopted by resolution of the Shareholders' General Meeting shall be submitted to the competent authority that approved these Articles of Association. Change registration formalities shall be handled if such amendment involves company registration.

**Article 209** The Board of Directors shall amend these Articles of Association according to the resolution of the Shareholders' General Meeting to amend these Articles of Association and the approval opinion of the relevant authority.

**Article 210** The revision of these Articles of Association is the information to be disclosed in accordance with the laws and administrative regulations, and shall be announced as stipulated.

### **Chapter XIII Supplementary Provisions**

#### **Article 211 Terms & Definitions**

- (I) "Actual controller" means a person who is not a shareholder of the Company but able to effectively controls activities of the Company through investment relations, agreements or other arrangements.
- (II) The "related transaction" means the definition specified by the Hong Kong Listing Rules.
- (III) The meaning of the used under these Articles of Association is the same as the "Auditor".

**Article 212** These Articles of Association are made in Chinese. Where other articles of association in any other language or in any version conflict with these Articles of Association, the Chinese version of these Articles of Association shall prevail.

**Article 213** In these Articles of Association, "more than", "within" and "below" all include the figures or dates closely following such expressions, while "lower than", "more than" and "less than" do not include the figures closely following such expressions.

**Article 214** Any unresolved matter under these Articles of Association shall be handled in accordance with laws, administrative regulations and related provisions of the stock exchange in the stock listing region of the Company. Where these Articles of Association conflict with the laws, administrative regulation, other relevant normative documents and listing rules of the stock exchange in the stock listing region of the Company issued from time to time, the latter shall prevail.

**Article 215** The power to interpret these Articles of Association shall rest with the Board of Directors of the Company.

**Article 216** The appendixes to these Articles of Association include the Working Rules of the Shareholders' General Meeting, the Working Rules of the Board of Directors and the Working Rules of the Board of Supervisors.

**Article 217** These Articles of Association shall take effect and be implemented as of the date on which these Articles of Association have been approved by the Shareholders' General Meeting of the Company by way of a special resolution. The original Articles of Association of the Company shall be automatically invalidated as of the date when these Articles of Association take effect.