

**Xiamen Yan Palace Bird's Nest Industry Co., Ltd.**

**Articles of Association**

## Contents

Chapter 1	General Rules.....	1
Chapter 2	Business Objective and Scope of Business.....	2
Chapter 3	Shares .....	3
Section 1	Issuance of Shares .....	3
Section 2	Increase, Reduction and Repurchase of Shares.....	7
Section 3	Transfer of Shares .....	8
Chapter 4	Shareholders and General Meetings .....	10
Section 1	General Provisions for Shareholders .....	10
Section 2	General Provisions for General Meetings.....	14
Section 3	Convening of General Meetings.....	17
Section 4	Proposals and Notices of General Meetings .....	18
Section 5	Holding of General Meetings .....	20
Section 6	Voting and Resolutions of General Meetings.....	24
Chapter 5	Board of Directors .....	29
Section 1	Directors .....	29
Section 2	Board of Directors .....	33
Chapter 6	General Manager and Other Senior Management .....	38
Chapter 7	Board of Supervisors .....	39
Section 1	Supervisors .....	39
Section 2	Board of Supervisors .....	41
Chapter 8	Financial and Accounting System, Profit Distribution and Audit.....	42
Section 1	Financial and Accounting System .....	42
Section 2	Internal Audit.....	44
Section 3	Appointment of Accounting Firm.....	45

Chapter 9	Notice .....	45
Chapter 10	Merger, Division, Capital Increase, Capital Reduction, Dissolution and Liquidation.....	46
	Section 1	
	Merger, Division, Capital Increase and Capital Reduction.....	46
	Section 2	
	Dissolution and Liquidation.....	48
Chapter 11	Amendment to the Articles of Association.....	50
Chapter 12	Supplementary Articles .....	51

## Chapter 1 General Rules

**Article 1** To safeguard the legal interests of Xiamen Yan Palace Bird's Nest Industry Co., Ltd. (hereinafter referred to as "the Company") and its shareholders, employees and creditors and to regulate the organization and behaviors of the Company, the Articles of Association are formulated in accordance with the *Company Law of the People's Republic of China* (hereinafter referred to as "Company Law"), the *Securities Law of the People's Republic of China* (hereinafter referred to as "Securities Law"), *Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies* (hereinafter referred to as "Trial Measures"), *Guidelines for the Articles of Association of Listed Companies* (hereinafter referred to as "Guideline on Articles"), *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (hereinafter referred to as "Hong Kong Listing Rules"), and other applicable laws, administrative regulations, departmental rules, regulatory documents and regulations of the relevant regulatory authorities.

**Article 2** The Company is a joint stock limited company established according to the Company Law and other relevant laws, administrative regulations, departmental rules, regulatory documents and regulations of the regulatory authorities of the People's Republic of China (hereinafter referred to "China"; for the purpose of the Articles of Association, China shall not include Hong Kong Special Administrative Region ("Hong Kong"), Macau Special Administrative Region ("Macau") and Taiwan).

The Company was established from the overall change of Xiamen Yan Palace Biological Engineering Development Co., Ltd. by means of promotion on December 23, 2020. The Company was registered with Market Supervision Administration Xiamen Municipal and was issued with a business license. The unified social credit code of the Company is 91350200302852049Y.

**Article 3** The Company completed the filing in China Securities Regulatory Commission (hereinafter referred to as "CSRC") on September 25, 2023 and was listed in the Stock Exchange of Hong Kong Limited (hereinafter referred to as "Hong Kong Stock Exchange") on December 12, 2023.

**Article 4** The registered name of the Company are as follows:

Full Name in Chinese: 廈門燕之屋燕窩產業股份有限公司

Full Name in English: Xiamen Yan Palace Bird's Nest Industry Co., Ltd.

**Article 5** Address: Unit 1, Unit 301, No. 3, Xiangming Road, Xiamen Torch High-tech Zone (Xiang'an), Industrial Zone

**Article 6** The Company's registered share capital is RMB93,100,000.

**Article 7** The Company is a joint stock company with perpetual existence.

**Article 8** The legal representative of the Company is the director of the Company, who acts on behalf of the Company in its business operation.

The resignation of the director acting on behalf of the Company in its business operation who also serves as the legal representative shall be deemed to include the simultaneous resignation of the role of legal representative.

Upon the resignation of the legal representative, the Company shall appoint a new legal representative within 30 days from the date of such resignation.

**Article 9** Where the legal representative engages in civil activities in the name of the Company, the legal consequences of the civil activities shall be borne by the Company.

Restrictions on the powers of the legal representative imposed by these Articles of Association or by the general meeting shall not be enforceable against bona fide third parties.

Where the legal representative causes damage to others in the performance of his or her duties, the Company shall bear the corresponding civil liability, after which the Company may, in accordance with the law or the Articles of Association, seek compensation from the legal representative at fault.

**Article 10** The shareholders' liabilities to the Company are limited to the shares subscribed by them. The liabilities of the Company to the Company's debts shall only be limited to all its assets.

**Article 11** From the effective date of the Articles of Association, the Articles of Association shall replace the original Articles of Association filed in the company registration authority. The Articles of Association shall become a legally binding document governing the organization and conduct of the Company, and the rights and obligations between the Company and its shareholders and among shareholders since the effective date and is legally binding on the Company, its shareholders, directors, supervisors, and senior management. According to the Articles of Association, shareholders may sue other shareholders, directors, supervisors, and senior management of the Company and the Company. The Company may sue shareholders, directors, supervisors and senior management.

**Article 12** Senior management referred to in the Articles of Association refers to the general manager, deputy general manager, the chief financial officer and secretary to the Board, and other senior management of the Company recognized by the Board.

## **Chapter 2 Business Objective and Scope of Business**

**Article 13** The business objective of the Company: to take a lead in the global edible bird's nest industry and build a century-old national brand.

**Article 14** The scope of business of the Company: general items: technical services, technical development, technical consulting, technical exchange, technology transfer, technology promotion; science and technology promotion and application services; technology promotion services; research and experimental development of natural science; research and experimental development of agricultural science; engineering and technological research and experimental development (excluding the development and application of human stem cells, gene diagnosis and therapy technologies, and China's rare and precious improved varieties); food sales (limited to pre-packaged food, excluding alcohol); sales of health preservation food (pre-packaged); import and export of goods; import and export agency; import and export of technology; general goods warehousing services (excluding hazardous chemicals and other items requiring licensing or approval); domestic trade agency; food import and export; cosmetics wholesale; cosmetics retail; sales of arts and crafts and ceremonial items (excluding ivory and ivory products); sales of gold and silver products; sales of daily-use ceramic products; sales of daily-use sundries; sales of household appliances; Internet sales (excluding goods which require licensing); wholesale of edible

agricultural products; retail of edible agricultural products; packaging services; vessel leasing; conference and exhibition services (organizing exhibition abroad shall be subject to approval by relevant authorities); rental of leisure and entertainment equipment; rental of cultural supplies equipment; non-residential real estate leasing; video production services; cultural and entertainment agency services; organization of cultural and artistic exchange activities; professional design services; graphic design; software development; advertising production; advertising placement; advertising design and agency; project planning and public relations services; marketing planning; information consulting services (excluding licensed information consulting services); business training (excluding educational training, vocational skills training, and other training which requires permits); corporate headquarters management; brand management; enterprise management; catering management; supply chain management services; data processing services; investment activities using own funds; enterprise management consulting; health consultation services (excluding medical diagnosis and treatment services); wellness and health preservation services (non-medical); leasing services (excluding licensed leasing services); tourism development project planning and consulting; sales of machinery and equipment; food business management. (Except for the items subject to approval by laws, business activities shall be conducted independently in accordance with the business license.) Licensed items: Food sales; food business management. (Items subject to approval by law may only be conducted after obtaining approval from relevant authorities. Specific business activities shall be subject to the approval documents or licenses issued by relevant authorities.)

## **Chapter 3 Shares**

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

**Article 15** The shares of the Company shall be in the form of share certificates.

The share certificates of the Company shall be in registered form. In addition to the information required by the Company Law, the information to be set out in the share certificates of the Company shall also include other information required by the stock exchange where the shares of the Company are listed.

The overseas-listed shares issued by the Company may adopt the form of overseas depository receipts or other derivative forms of shares certificates according to the laws and practices for the registration and depository of securities of the place where the shares of the Company are listed. Where the share capital of the Company includes shares which do not carry voting rights, the words “without voting rights” shall be added to the names of such shares.

**Article 16** The Company shall issue shares under the open, fair and just principles, and each share of the same class shall carry the same rights.

For the shares of same class in the same issuance, the issuance conditions and prices per share shall be the same. Subscribers for any shares of the Company shall pay the same price for each share subscribed for.

**Article 17** The par value shares issued by the Company shall be denominated in RMB, with the nominal value of RMB0.2 per share.

**Article 18** After the fulfillment of the mandatory procedures stipulated in the Trial Measures and other laws, regulations and regulatory documents, the Company may issue shares to domestic investors and overseas investors.

For the purpose of the preceding paragraph, the term “overseas investors” shall refer to investors from foreign countries or Hong Kong, Macau and Taiwan that subscribe for shares issued by the Company. The term “domestic investors” shall refer to investors inside the territory of China, excluding the above-mentioned countries and regions that subscribe for shares issued by the Company.

**Article 19** The shares issued by the Company to domestic investors for subscription in RMB shall be referred to as domestic shares. The shares issued by the Company to overseas investors for subscription in foreign currencies shall be referred to as foreign shares. The foreign shares listed overseas shall be referred to as overseas-listed foreign shares. Shareholders of domestic shares and foreign shares shall enjoy equal rights in the distribution of dividends or distribution in any other forms.

For the purpose of the preceding paragraph, the term “foreign currencies” shall refer to any legal currency of any country or region that can be converted freely, excluding RMB.

The Company’s Hong Kong-listed foreign shares (hereinafter referred to as “H-shares”) refer to shares approved for listing on the Hong Kong Stock Exchange, with par value denominated in Renminbi, subscribed and traded in Hong Kong dollars.

Shares issued by the Company that are not listed or traded on domestic or overseas trading venues are referred to as unlisted shares.

After the fulfillment of the mandatory procedures stipulated in the Trial Measures and other

No.	Name of Promoter	Number of shares (Ten thousand shares)	Proportion of Shareholding	Method of Capital Contribution	Time of Capital Contribution
1	Xiamen Shuangdanma Industrial Development Co., Ltd	1,835.7112	22.0285%	Shares Exchanged with Net Assets	2020.12.10
2	Xiamen Guangyao Tianxiang Equity Investment Partnership LP	1,200.0000	14.4000%	Shares Exchanged with Net Assets	2020.12.10
3	Xiamen Jinyanlai Investment Partnership (Limited Partnership)	833.3334	10.0000%	Shares Exchanged with Net Assets	2020.12.10
4	Beijing Hongyan Equity Investment Center (Limited Partnership)	777.1492	9.3258%	Shares Exchanged with Net Assets	2020.12.10
5	ZHENG Wenbin	659.5731	7.9149%	Shares Exchanged with Net Assets	2020.12.10
6	FU Yu	659.5731	7.9149%	Shares Exchanged with Net Assets	2020.12.10
7	LI Youquan	659.0952	7.9091%	Shares Exchanged with Net Assets	2020.12.10
8	Fujian Yangming Kangyi Biopharmaceutical Venture Capital LP	333.3333	4.0000%	Shares Exchanged with Net Assets	2020.12.10
9	ZENG Huanrong	312.9333	3.7552%	Shares Exchanged with Net Assets	2020.12.10
10	LIU Zhen	240.4095	2.8849%	Shares Exchanged with Net Assets	2020.12.10
11	HUANG Jincheng	225.0000	2.7000%	Shares Exchanged with Net Assets	2020.12.10
12	HUANG Wenxiao	166.6667	2.0000%	Shares Exchanged with Net Assets	2020.12.10
13	SHI Tao	104.1667	1.2500%	Shares Exchanged with Net Assets	2020.12.10
14	Xiamen Torch Industrial Development Equity Investment Fund Co., Ltd.	83.3333	1.0000%	Shares Exchanged with Net Assets	2020.12.10

No.	Name of Promoter	Number of shares (Ten thousand shares)	Proportion of Shareholding	Method of Capital Contribution	Time of Capital Contribution
15	Fuzhou Tianyi Tongchuang Investment Partnership (Limited Partnership)	83.3333	1.0000%	Shares Exchanged with Net Assets	2020.12.10
16	Pingtian Jinjun Hongyan Investment Partnership LP	55.5556	0.6667%	Shares Exchanged with Net Assets	2020.12.10
17	ZHANG Qing	41.6667	0.5000%	Shares Exchanged with Net Assets	2020.12.10
18	WU Junjie	41.6667	0.5000%	Shares Exchanged with Net Assets	2020.12.10
19	XIAO Wen	20.8333	0.2500%	Shares Exchanged with Net Assets	2020.12.10
<b>Total</b>		<b>8,333.3336</b>	<b>100%</b>	<b>-</b>	<b>-</b>

**Article 21** As filed with the CSRC, the Company completed its initial public offering of 32,000,000 H shares (hereinafter referred to as “IPO”). As filed with the CSRC, pre-IPO shareholders converted their entire holdings of 433,500,000 domestic shares into overseas-listed shares.

Following the completion of the above issuance of overseas-listed foreign shares and the conversion of domestic shares into overseas-listed shares, the Company’s share capital structure was as follows: 465,500,000 ordinary shares, all of which were overseas-listed foreign shares (H shares).

**Article 22** The Company shall not provide gifts, loans, guarantees, or other financial assistance to others for the purpose of acquiring shares of the Company or its holding company, except where the Company implements an employee stock ownership plan.

For the interests of the company, upon resolution of the general meeting, or upon resolution of the board of directors of the Company (hereinafter referred to as “the Board”) made in accordance with the Articles of Association or authorization from the general meeting, the Company may provide financial assistance to others for acquiring shares of the Company, but the cumulative total amount of such financial assistance shall not exceed 10% of the total issued share capital. The resolution of the Board shall be passed by two-thirds (2/3) or more of all directors.

Where any violation of the preceding two paragraphs causes loss to the Company, the liable directors, supervisors, and senior management shall bear the liability for compensation.

Where the Company engages in the acts prescribed in this Article, it shall comply with the laws, administrative regulations, the regulations of the CSRC and the place where the Company’s shares are listed.

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

**Article 23** In accordance with the laws and regulations, the Company may increase the registered capital by the following ways upon approval by resolutions of the general meeting according to the operation and development needs of the Company:

- (I) offering of shares to unspecified objects;
- (II) offering of shares to specified objects;
- (III) offering of bonus shares to existing shareholders;
- (IV) capitalization of provident fund into share capital;
- (V) other form specified in laws, administrative regulations and regulatory documents or approved by the securities regulatory authority of the place where the shares of the Company are listed and the Hong Kong Stock Exchange.

The issuance of new shares by the Company for the capital increase shall be approved in accordance with the provisions of the Articles of Association and shall be processed in accordance with the procedures stipulated by the relevant laws, administrative regulations, and listing rules of the place where the Company's shares are listed.

**Article 24** The Company may reduce its registered capital. The reduction in the registered capital shall be made in accordance with the procedures set out in the Company Law, other applicable laws, administrative regulations, regulatory documents, the regulations of securities regulatory authority of the place where the shares of the Company are listed, the Hong Kong Stock Exchange and the Articles of Association.

**Article 25** The Company may acquire its shares in compliance with laws, regulations, regulations of the securities regulatory authority of the place where the shares of the Company are listed, the Hong Kong Listing Rules and the Articles of Association, in one of the following circumstances:

- (I) to reduce the registered capital of the Company;
- (II) to merge with other companies holding the shares of the Company;
- (III) to use the shares as an employee stock ownership plan or equity incentive plan;
- (IV) to purchase its shares from shareholders who have voted against the resolutions on the merger or division of the Company at the general meeting upon their request;
- (V) to convert the shares into convertible corporate bonds issued by the Company;
- (VI) necessary for the Company to maintain its value and protect the interests of the shareholders; or
- (VII) other circumstances stipulated by laws, administrative regulations, departmental rules, regulatory documents, regulations of the securities regulatory authorities of the place where the shares of the Company are listed and the Hong Kong Listing Rules.

**Article 26** The Company may repurchase its shares through open centralized trading or other ways recognized by laws, administrative regulations and regulatory documents, the Hong Kong Listing Rules and securities regulatory authorities of the place where the shares of the Company are listed.

If the share purchase is made under any of the circumstances stipulated in (III), (V) and (VI) of Article 24 of the Article of Association, it shall be conducted by way of open centralized trading.

**Article 27** Where the Company repurchases its share under the circumstances stipulated in (I) and (II) in Article 25 of the Articles of Association, an approval shall be obtained from the general meeting; where the Company repurchases its shares under the circumstances stipulated in (III), (V) and (VI) of Article 25 of the Articles of Association, a resolution of the Board shall be passed by a two-third majority of directors attending the meeting in accordance with the provisions of the Articles of Association or the authorization of the general meeting.

After the Company has repurchased its shares according to Article 25 of the Article of Association, the shares so repurchased shall be canceled within ten days from the date of repurchase under the circumstances set out in (I); or shall be transferred or canceled within six months under the circumstances set out in (II) and (IV). The shares of the Company repurchased by the Company under the circumstances set out in (III), (V) and (VI) shall not exceed 10% of the total issued shares of the Company, and shall be transferred or canceled within three years.

Where the laws, administrative regulations, departmental rules, regulatory documents, the securities regulatory authorities of the place where the shares of the Company are listed and Hong Kong Listing Rules stipulates other provisions on the relevant matters involved in the foregoing share repurchase, those provisions shall prevail.

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

**Article 28** The shares of the Company shall be transferred in accordance with laws. The transfer of the Company's shares shall be registered in the share registrar entrusted by the Company.

**Article 29** The H-share shall be transferred by a transfer document in writing in any usual or common form or any other form which the Board accepts (including the prescribed form or transfer form as required by the Hong Kong Stock Exchange from time to time). The written transfer documents may only be executed by hand or (if the transferor or the transferee is a company) affixed with the company's seal. If the transferor or transferee is a recognized clearing house as defined by the laws of Hong Kong in effect from time to time or the agent thereof, the written transfer documents may be executed by hand or by machine imprinted signatures.

All transfer documents shall be kept at the legal address of the Company, the address of the share transfer agency, or any other place specified by the Board from time to time.

**Article 30** The original copy of the register of shareholders of H shares listed on the Hong Kong Stock Exchange shall be maintained in Hong Kong and shall be available for inspection by shareholders.

**Article 31** The Company shall not accept its shares as the subject matter of a pledge.



## Chapter 4 Shareholders and General Meetings

### Section 1 General Provisions for Shareholders

**Article 34** The Company shall set up a register of shareholders based on the certificates provided by the securities registration agency. The register of shareholders shall be sufficient evidence to the holding of the shares of the Company by a shareholder unless there is proof to the contrary. A shareholder shall enjoy rights and assume obligations according to the class of shares held by them. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations. Any change in the rights attached to a class of shares shall be approved by a vote of at least two-thirds of the shareholders holding shares of that class.

The register of shareholders shall register the following matters, or register the shareholders in accordance with laws, administrative regulations, departmental rules and Hong Kong Listing Rules:

- (I) the name, address (domicile), occupation or nature of occupation of each shareholder;
- (II) the class and number of shares held by each shareholder;
- (III) the amount paid or payable in respect of the shares held by each shareholder;
- (IV) where the shares are issued in the form of paper, the serial numbers of the shares;
- (V) the date on which each shareholder was registered as a shareholder;
- (VI) the date on which each shareholder ceased to be a shareholder of the Company.

Subject to the Articles and other applicable regulations, once the shares of the Company are transferred, the name of the transferee shall be listed in the register of shareholders as the holder of the said shares.

If any shareholder registered on the register of shareholders or any person who requests to register his or her name (title) in the register of shareholders loses his or her share certificates (hereinafter referred to as “original share certificates”), he or she may apply to the Company to reissue new share certificates for those shares (hereinafter referred to “relevant shares”). In the event a holder of unlisted shares applies to the Company for a reissue after losing the share certificates, the matter shall be dealt with according to related provisions of the Company Law. In the event a holder of H-share loses the share certificates and applies to the Company for a reissue, the application may be dealt according to the laws, listing rules of the stock exchange at the place where the original register of H-share shareholders is kept, or other related provisions.

**Article 35** When the Company engages in the conducts like convening the general meetings, distribution of dividends, liquidation or any other matters that require the confirmation of the identity of shareholders, the Board or the convener of the general meeting shall determine the date of registration of shares. Shareholders registered in the register of shareholders after the closing on the date of registration of shares shall be the shareholders enjoying the relevant rights. Where the Hong Kong Listing Rules prescribe specific requirements for suspending the registration of share transfers prior to a general meeting or before the record date for the distribution of dividends, the Company shall comply with such requirements. In the absence of specific provisions in the Hong Kong Listing Rules, the registration of share transfers shall be suspended as determined by the Board.

**Article 36** Shareholders of the Company shall be entitled to the following rights:

- (I) to receive dividends and other forms of distributions in proportion to the number of shares they hold;
- (II) to file a petition according to laws, call, convene, hold and attend the general meetings either in person or by proxy and exercise their corresponding right to speak and voting rights;
- (III) to supervise, present suggestions or make inquiries about the business operations of the Company;
- (IV) to transfer, donate or pledge their shares in accordance with laws, administrative regulations, the relevant regulations of the securities regulatory authority of the place where the shares of the Company are listed and the Articles of Association;
- (V) to inspect and copy the Articles of Association, register of shareholders, minutes of general meetings, resolutions of the meetings of the Board, financial accounting reports, accounting books and accounting vouchers (by shareholders who meet the requirements);
- (VI) to participate in the distribution of the residual assets of the Company in proportion to their shareholdings in the event of the termination or liquidation of the Company;
- (VII) to request the Company to purchase their shares for the shareholders who object to the resolution on merger or division made by the general meetings;
- (VIII) to enjoy other rights stipulated by laws, administrative regulations, regulatory documents, the regulations of the securities regulatory authority of the place where the shares of the Company are listed, the Hong Kong Listing Rules and the Articles of Association.

Shareholders who individually or jointly hold more than 3% of the Company's shares for over 180 consecutive days or more may request to inspect the Company's accounting books and accounting vouchers. Such shareholders shall submit a written request to the Company, stating the purpose for the inspection. If the Company has reasonable grounds to believe that the shareholder's inspection of the accounting books and vouchers is for improper purposes and may harm the company's legitimate interests, it may refuse to provide access and shall respond in writing to the shareholder within 15 days from the date of the shareholder's written request, stating the reasons. Where the Company refuses to provide access to inspection, the shareholder may file an action in the People's Court.

**Article 37** The Company shall maintain the Articles of Association, register of shareholders, minutes of general meetings, minutes of the meetings of the Board, minutes of the meetings of the Board of Supervisors, financial accounting reports, and register of bondholders at the Company's premises.

**Article 38** Where shareholders request to inspect or copy the relevant materials of the Company, they shall comply with the provisions of the Company Law, the Securities Law, and other laws and administrative regulations.

**Article 39** In the event that any resolution of the general meeting and resolution of the Board violates laws or administrative regulations, the shareholders shall have the right to request the People's Court to deem it as invalid.

In the event that the convening procedure or voting method of the general meeting or meeting of the Board violates any of the laws, administrative regulations or the Articles of Association, or any resolution violates the Articles of Association, the shareholders are entitled to request the People's Court to overturn the resolution within 60 days upon the resolution was adopted, except where the convening procedure or voting method of the general meeting or meeting of the Board contain only minor defects that do not materially affect the resolutions.

Where the Board, shareholders, or other relevant parties dispute the validity of any resolution of the general meeting, they shall promptly file an action in the People's Court. Prior to the People's Court issuing a judgment or ruling to revoke the resolution, the relevant parties shall enforce the resolution of the general meeting. The Company, directors, and senior management shall faithfully perform their duties to ensure the Company's normal operations.

Where the People's Court issues a judgment or ruling on the relevant matter, the Company shall fulfill its information disclosure obligations in accordance with laws, administrative regulations, and the regulations of CSRC and the securities regulatory authority of the place where the Company's shares are listed. The Company shall fully explain the impact and actively cooperate with the enforcement after the judgment or ruling takes effect. Where any corrections to prior matters are needed, the Company shall promptly address the corrections and fulfill the corresponding information disclosure obligations.

**Article 40** The resolution of the general meeting or the meeting of the Board shall be invalid under any of the following circumstances:

- (1) the resolution is made without convening the general meeting or the meeting of the Board;
- (2) the general meeting or the meeting of the Board does not vote on the subject matter of the resolution;
- (3) the number of people present at the meeting or the voting rights held by them do not meet the quorum or voting rights requirements stipulated in the Company Law or the Articles of Association;
- (4) the number of people voting in favor of the resolution or the voting rights held by them do not meet the quorum or voting rights requirements stipulated in the Company Law or the Articles of Association.

**Article 41** Where the Company incurs loss as a result of violation of the laws, administrative regulations or the Articles of Association by Directors and senior management in the course of performing their duties, shareholders individually or jointly holding more than 1% of shares of the Company for over 180 consecutive days shall have the rights to request in writing to the Board of Supervisors to initiate legal proceedings in the People's Court. Where the Company incurs loss as a result of violation of the laws, administrative regulations or the Articles of Association by the Supervisors in the course of performing their duties, the abovementioned shareholders shall have the rights to request in writing to the Board to initiate legal proceedings in the People's Court.

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

**Article 44** The controlling shareholders and actual controllers of the Company shall exercise their rights and fulfill their obligations in accordance with laws, administrative regulations, and the regulations of the CSRC and the securities regulatory authorities of the place where the Company's shares are listed, safeguarding the interests of the listed Company.

**Article 45** The controlling shareholders and actual controllers of the Company shall not take advantage of their relationship to damage the interest of the Company. Any losses caused to the Company as a result of such violation shall be compensated.

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

**Article 46** When the controlling shareholder or actual controller transfer shares held in the Company, they shall comply with the restrictive provisions on share transfers stipulated in laws, administrative regulations, and the regulations of the CSRC and the securities regulatory authority of the place where the Company's shares are listed, as well as the commitments they have made regarding restrictions on share transfer.

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

**Article 47** The general meeting of the Company consists of all shareholders of the Company. The general meeting is the organ of authority of the Company and shall exercise the following functions and powers according to the law:

- (I) to elect and replace directors and supervisors who are not staff representatives and to determine matters relating to the remuneration of the directors and supervisors;
- (II) to consider and approve the reports of the Board;
- (III) to consider and approve the reports of the Board of Supervisors;
- (IV) to consider and approve the profit distribution plans and plans for recovery of losses of the Company;
- (V) to make resolutions on increase or reduction of the registered capital of the Company;
- (VI) to make resolutions on the issuance of corporate bonds;

- (VII) to make resolutions on the merger, demerger, dissolution, liquidation or change of corporate form of the Company;
- (VIII) to amend the Articles of Association;
- (IX) to make resolutions on the matter of the appointment and dismissal of accounting firms that are engaged to perform the audit services of the Company;
- (X) to consider and approve the matters of guarantee as prescribed in the Articles of Association;
- (XI) to consider the matters that the purchase or sale of significant assets by the Company within one year exceeds 30% of the latest audited total assets of the Company;
- (XII) to consider and approve matters relating to the change of the purpose of raised funds;
- (XIII) to consider the share incentive plans and employee shareholding schemes;
- (XIV) to consider the matters of transactions that shall be considered by the general meetings as provided by laws and regulations, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association;
- (XV) to consider other matters that shall be decided by the general meetings as provided by laws, administrative regulations, departmental rules and securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The general meetings may delegate the Board to resolve on the issuance of corporate bonds, and may also delegate general authorization to the Board to issue, allocate and handle additional overseas listed shares, the quantity of which shall be no more than 20% of the issued overseas listed shares (or any other proportion regulated by applicable laws, administrative regulations and listing rules of the stock exchange of the place where the shares of the Company are listed).

**Article 48** The external guarantees of the Company shall be reviewed and passed in the general meetings:

- (I) any guarantee to be provided after the total amount of external guarantees provided by the Company and its holding subsidiaries has exceeded 50% of the Company's audited net assets of the latest period;
- (II) any guarantee to be provided after the total amount of external guarantees provided by the Company has exceeded 30% of the Company's audited total assets of the latest period;
- (III) any guarantee provided to others with the total amount of guarantees of the Company within one year exceeding 30% of the Company's audited total assets of the latest period;
- (IV) any guarantee to be provided for a party with a gearing ratio of over 70%;
- (V) any single guarantee with the amount of guarantee exceeding 10% of the Company's audited net assets of the latest period;

- (VI) any guarantee to be provided to the shareholders, actual controllers and related parties thereof;
- (VII) any other guarantee stipulated in the laws, administrative regulations, departmental rules, regulatory documents, listing rules of the stock exchange where the shares of the Company are listed or the Articles of Association.

**Article 49** A general meeting shall be an annual general meeting or an extraordinary general meeting.

The annual general meeting shall be convened once a year and be held within six months of the end of the previous fiscal year.

**Article 50** The Company shall convene an extraordinary general meeting within two months from the date of the occurrence of any of the following circumstances:

- (I) when the number of directors of the Company is less than the statutory minimum number specified in the Company Law or two-thirds of the number specified in the Articles of Association;
- (II) when the unrecovered losses of the Company amount to one-third of the total share capital of the Company;
- (III) when the shareholders with more than 10% of the total shares of the Company individually or jointly request;
- (IV) when the Board considers it necessary;
- (V) when it is proposed by the Board of Supervisors;
- (VI) any other circumstances stipulated by laws, administrative regulations, departmental rules, the securities regulatory authority of the place where the shares of the Company are listed, the Hong Kong Listing Rules or the Articles of Association.

**Article 51** The venue for convening a general meeting shall be the domicile of the Company or other places as indicated in the notice of the general meeting.

The general meeting shall arrange a meeting venue and be convened through on-site meetings, video meetings, telephone meetings and/or online meetings or any other means. Subject to the legitimacy and effectiveness of the meeting, the Company may allow shareholders to use technology to attend the general meeting virtually and provide online voting or any other method to facilitate shareholders attending the general meeting according to the laws, administrative regulations, departmental rules, and the securities regulatory rules of the place where the shares of the Company are listed. Shareholders participating in general meetings in the aforesaid manner shall be deemed as present.

The time and venue of on-site meetings shall be selected for the convenient participation of shareholders. After the issuance of the notice of the general meeting, the venue for an on-site meeting shall not be changed without any proper reasons. In case of any necessary change of the venue, the convener shall give a notice to shareholders stating the reasons at least two business days before the meeting date.

### Section 3 Convening of General Meetings

**Article 52** The Board shall convene general meetings on time within the prescribed period. With the consent of more than half of all independent non-executive directors, independent non-executive directors shall have the right to propose to the Board to convene extraordinary general meetings. When an independent non-executive director proposes to convene an extraordinary general meeting, the Board shall issue written feedback on consent or non-consent to the convening of the extraordinary general meeting within 10 days from the receipt of the proposal according to laws, administrative regulations and the Articles of Association. If the Board gives consent to convene an extraordinary general meeting, it shall, within five days from passing of the board resolution, issue a notice on convening the general meetings. If the Board does not give consent to convene an extraordinary general meeting, the Board shall state the reason and issue an announcement.

**Article 53** The Board of Supervisors shall have the right to propose the convening of extraordinary general meetings and submit such proposal in writing to the Board. In accordance with laws, administrative regulations and the Articles of Association, the Board shall issue written feedback on consent or non-consent to the convening of the extraordinary general meetings within 10 days from the receipt of the proposal.

If the Board gives consent to convene an extraordinary general meeting, it shall, within five days from passing of the Board resolution, issue a notice on convening the general meetings. Any changes to the original proposal in the notice should obtain the consent of the Board of Supervisors.

If the Board does not give consent to convene an extraordinary general meeting or does not issue feedback within 10 days from the receipt of the proposal, the Board shall be deemed as unable to perform or failed to perform the duties of convening a general meeting. In such cases, the Board of Supervisors may proceed to convene and chair the meeting on its own.

**Article 54** Where shareholders holding more than 10% of the total shares of the Company individually or jointly request the Board to convene an extraordinary general meeting, they shall submit such request in writing to the Board. The Board shall issue written feedback on consent or non-consent to the convening of the extraordinary general meeting within 10 days from the receipt of the request according to laws, administrative regulations and the Articles of Association.

If the Board gives consent to convene an extraordinary general meeting, it shall, within five days from passing of the board resolution, issue a notice on convening the general meetings. Any changes to the original request in the notice should obtain the consent of proposing shareholders.

If the Board does not give consent to convene an extraordinary general meeting or does not issue feedback within ten days from the receipt of the request, shareholders holding more than 10% shares of the Company individually or jointly shall have the right to propose to the Board of Supervisors to convene an extraordinary general meeting, and submit the request in writing.

If the Board of Supervisors gives consent to convene an extraordinary general meeting, the Board of Supervisors shall issue the notice for the extraordinary general meeting within five days from the receipt of the request. Any changes to the original request in the notice shall obtain the consent of proposing shareholders.

If the Board of Supervisors does not issue a notice of a general meeting within the stipulated period, the Board of Supervisors shall be deemed as not convening and chairing the general meeting. Shareholders holding more 10% of shares of the Company individually or jointly for 90 consecutive days may convene and chair the general meeting.

**Article 55** Prior to the announcement of resolutions passed by the general meeting, the shareholding percentage of the convening shareholders shall be no less than 10%.

**Article 56** For the general meetings convened by the Board of Supervisors or shareholders, the Board and the secretary of the Board shall cooperate and provide necessary assistance. The Board shall provide the register of shareholders as at the date of record. The register of shareholders obtained by the convener shall not be used for any purpose other than convening a general meeting.

**Article 57** The necessary expenses for a general meeting convened by the Board of Supervisors or shareholders shall be borne by the Company.

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

**Article 58** The contents of the proposal shall fall within the scope of the functions and powers of the general meetings and shall have specified subjects and specific resolutions, in further compliance with the laws, administrative regulations and the Articles of Association.

**Article 59** In a general meeting, the Board, the Board of Supervisors and shareholders individually or jointly holding more than 1% of the shares of the Company shall have the right to propose motions.

Shareholders individually or jointly holding more than 1% of the shares of the Company may propose provisional motions and submit them to the convener in writing 10 days before a general meeting. The convener shall, within two days upon receipt of the proposal, issue a supplementary notice of the general meeting, announce the contents of the provisional proposal, and incorporate the matters in the provisional motions that are within the scope of functions and powers of the general meetings into the agenda for consideration and review at the general meeting, except where the provisional motions violate the provisions of laws, administrative regulations or the Articles of Association, or where the provisional motions fall outside the scope of functions and powers of the general meetings.

Except for the situations described above, the convener shall not modify any incorporated motions or add any new motions to the notice of the general meeting after the notice has been sent out.

The general meeting shall not vote or make resolutions for any motion not incorporated in the notice or not in compliance with the Articles of Association.

**Article 60** The convener of the general meeting shall notify the shareholders by announcement twenty-one days prior to the annual general meeting, and shall notify the shareholders by announcement fifteen days prior to the extraordinary general meeting. The notice shall be accompanied by the form of proxy, which shall provide the options for and against all resolutions to be proposed at the meeting.

In determining the commencement date and the period, the Company shall not include the date convening the meeting.

**Article 61** The notice of a general meeting shall include the following details:

- (I) the time, address and duration of the meeting;
- (II) the matters and proposals submitted to be deliberated at the meeting;
- (III) a prominent written statement that all shareholders are entitled to attend the general meeting and may appoint a proxy in writing to attend and vote at the meeting. The proxy may not be a shareholder of the Company;
- (IV) the date of registration of shareholdings of shareholders who are entitled to attend the general meeting;
- (V) the name and telephone number of the permanent contact person concerning meeting matters;
- (VI) the time and procedure for voting through internet or other means;
- (VII) any other matters stipulated by laws, administrative regulations, regulatory documents, the securities regulatory authority of the place where the shares of the Company are listed, and the Hong Kong Listing Rules.

The specific details of all proposals shall be adequately and fully disclosed in the notice and supplementary notice of the general meeting.

The interval between the date of registration of shareholdings and the date of the meeting shall be no more than seven business days. The date of registration of shareholdings shall not be changed once determined.

**Article 62** If the matters involving the election of directors and supervisors are to be discussed at the general meeting, the notice of the general meeting shall fully disclose the detailed information of the candidates for directors and supervisors, which shall at least include the following:

- (I) personal particulars including full name, educational background, working experience, part-time jobs;
- (II) whether there is any connected relationship with the Company or controlling shareholders and actual controller of the Company;
- (III) the shareholdings in the Company;
- (IV) whether the candidates have been punished by the relevant regulatory authorities and other relevant authorities or reprimanded by a stock exchange;
- (V) other matters regulated by laws, administrative regulations, regulatory documents, the securities regulatory authority of the place where the shares of the Company are listed, and the Hong Kong Listing Rules.

Except for the directors and supervisors elected through the cumulative voting system, each candidate for director and supervisor should be individually proposed.

**Article 63** After the issuance of the notice for a general meeting, the general meeting shall not be postponed or canceled without any proper reasons, and the proposals specified in the notice shall not be withdrawn. In case of delay or cancelation, the convener shall give a notice to shareholders stating the reasons at least two business days before the original meeting date. Where the Hong Kong Listing Rules or other regulatory rules of the place where the Company's shares are listed contain specific provisions regarding the procedures for postponing or canceling the general meeting, such provisions shall prevail, provided that they do not contravene any laws, regulations, rules, or relevant standards.

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

**Article 64** The Board and other conveners shall take all necessary measures to ensure that the general meeting is conducted in an orderly manner, and shall take steps to prevent any activities that interfere the general meetings, cause disturbances and infringe the legal interests of the shareholders, and report such activities to the relative authorities for investigation and punishment.

**Article 65** All shareholders in the register of shareholders as at the date of record or their proxies shall have the right to attend the general meeting and exercise the right to speak and voting rights according to relevant laws, regulations, the securities regulatory authority of the place where the securities of the Company are listed, the Hong Kong Listing Rules and the Articles of Association.

Shareholders may either attend and exercise the voting rights at the general meeting in person, or appoint any persons (regardless of whether such person is a shareholder) as their proxies to attend the meeting and exercise the voting rights within the scope of authorization.

**Article 66** Individual shareholders attending the meeting in person shall present their identity cards or any other valid certificates or documents for identification. Proxies attending the meeting shall present their personal identity cards and the power of attorney from the shareholder.

For legal person shareholders, the legal representatives or the proxies shall attend the meeting. Legal representatives attending the meeting shall present their identity cards and valid documents that can prove his or her qualification as the legal representative. Proxies authorized to attend the meeting shall present their identity cards and the written power of attorney legally issued by the legal representative of the legal person shareholder (if the shareholder is an accredited clearing house or its proxy as defined in the relevant provisions of the laws of Hong Kong in effect from time to time, the above regulations shall not apply).

If the shareholder is an accredited clearing house as defined under the Securities and Futures Ordinance of Hong Kong or relevant provisions of the laws of Hong Kong in effect from time to time or its proxies, the shareholder may appoint one or more persons as its proxy at the general meeting. However, if more than one person is appointed, the power of attorney shall specify the number and class of the shares relating to each such proxy. The power of attorney may be signed by the authorized person of the accredited clearing house. Such person so appointed may exercise the rights on behalf of the accredited clearing house (or its proxy) (no shareholding voucher, notarized authorization and/or further evidence to the duly authorization is required) as if such person is an individual shareholder of the Company and enjoys the same legal rights as those of other shareholders, including the rights to speak and vote.

**Article 67** Any shareholder who is entitled to attend and vote at the general meetings has the right to appoint one or more persons (who may not necessarily be shareholders) as his or her shareholder proxy to attend and vote at the meeting on his or her behalf. Where the shareholder is a corporation, it may appoint one or more proxies or representatives to attend and vote at any general meeting of the Company. Where such corporate shareholder has appointed a representative to attend any meeting, it shall be deemed to be present in person. The proxy or representative of such shareholder may exercise the following rights in accordance with the shareholder's authorization:

- (1) the right to speak at the general meeting;
- (2) the right to demand a poll, either individually or jointly with others;
- (3) the voting right by a show of hands or by poll, but where more than one proxy or representative is appointed, such proxies or representatives may only exercise voting rights by poll.

The power of attorney issued by a shareholder to appoint another person to attend a general meeting shall contain the following information:

- (I) the name of the principal and the class and number of shares held in the Company;
- (II) the name of the proxy;
- (III) the shareholder's specific instructions, including the instructions to vote for, against or abstain from voting on each matter to be considered on the agenda of the general meeting, respectively, and so on;
- (IV) the date of issuance and expiration date of the power of attorney;
- (V) the signature (or seal) of the principal. If the principal is a legal person shareholder, the seal of the legal person entity shall be affixed.

**Article 68** If the power of attorney for voting by proxy is signed by another person authorized by the principal, the power of attorney or other authorization documents authorized to be signed must be verified by a notary. The power of attorney or other instrument verified by the notary must be deposited together with the power of attorney at the domicile of the Company or other location designated at the notice convening the meeting, or provided to the Company by other means (such as electronic means) provided that it does not contravene the laws and regulations of the Company's place of incorporation and listing rules of the place where the Company's shares are listed.

The power of attorney must be deposited at the domicile of the Company or other location designated in the notice convening the meeting no later than 24 hours before the meeting at which the power of attorney is put to vote is convened or 24 hours before the designated voting time, or provided to the Company by other means (such as electronic means) provided that it does not contravene the laws and regulations of the Company's place of incorporation and listing rules of the place where the Company's shares are listed.

**Article 69** The Company shall be responsible for preparing the register of persons attending the meeting.

The register of persons attending the meeting shall include, among others, the name of persons attending the meeting (or name of the relevant entity), identity card number (or unified social credit code), number of shares with voting rights they hold or represent, and name of the principal (or name of the relevant entity).

**Article 70** The convener shall verify the legitimacy of shareholders' qualifications according to the register of shareholders provided by the securities depository and clearing agency and register the names of shareholders and the number of shares with voting rights they hold. The registration shall end before the chairperson of the meeting announces the number of shareholders and proxies attending the meeting and the total number of voting shares they hold.

**Article 71** Where the general meeting requires directors, supervisors, and senior management to attend the meeting, they shall attend the meeting and be subject to the queries by shareholders.

**Article 72** The general meetings shall be convened by the Board and chaired by the chairman of the Board in accordance with the laws. When the chairman of the Board is unable to perform or does not perform his or her duties, a director nominated by more than half of the directors shall chair the meeting. However, the above provision shall not apply to the general meetings convened and chaired by the Board of Supervisors or qualified shareholders in accordance with the Articles of Association.

The general meetings convened by the Board of Supervisors shall be chaired by the chairman of the Board of Supervisors. Where the chairman of the Board of Supervisors is unable to perform or does not perform his or her duties, a supervisor nominated by more than half of the supervisors shall chair the meeting.

The general meeting convened by shareholders should be chaired by a representative recommended by the convener.

Where the general meeting is unable to continue due to the chairman of the meeting violating the rules of procedure of the meeting during the meeting, the general meeting may elect a person to chair the meeting upon consent of shareholders with more than half voting rights and present at the meeting to continue the meeting.

**Article 73** The Company shall formulate the rules of procedure of the general meetings which shall set out the procedures of calling, convening and voting at the general meetings in detail, including notices, registration, consideration and approval for proposals, voting, vote counting, announcement on voting results, formation of the resolutions, meeting minutes, signing and announcement and other matters, and the principles of authorization of the general meetings granted to the Board. The contents of authorization should be clear and specific. The rules of procedure of the general meeting shall be prepared by the Board, approved at the general meeting and attached as an appendix to the Articles of Association.

**Article 74** At the annual general meeting, the Board and the Board of Supervisors shall report their work done in the past year to the general meeting. Each independent non-executive director shall also deliver his or her work report.

**Article 75** Except for information that cannot be disclosed according to laws and administrative regulations or information involving with trade secrets of the Company, the directors, supervisors and senior management shall make explanations and statement on the inquiries and suggestions from shareholders at the general meetings.

**Article 76** Prior to voting, the chairman of the meeting shall announce the number of shareholders and proxies present and the total number of voting shares held by them. The number of shareholders and proxies present and the total number of voting shares held by them shall be subject to the meeting registration.

**Article 77** The secretary of the Board shall be responsible for the minutes of the general meetings.

The minutes shall set forth the following contents:

- (I) time, place, agenda of the meeting, name of the convener;
- (II) name of the chairman of the meeting, directors, supervisors and senior management present or in attendance at the meeting;
- (III) number of shareholders and proxies present at the meeting, the total number of voting shares and the proportion of the total number of voting shares to the total shares of the Company;
- (IV) the review process, highlights of the speeches and voting results for each proposal;
- (V) queries or suggestions of shareholders and the corresponding replies or explanations;
- (VI) the name of lawyers (if applicable), counting officers and scrutinizers;
- (VII) such other matters which shall be recorded in the minutes specified by the Articles of Association.

**Article 78** Conveners of the general meetings shall ensure that the contents of the minutes are true, accurate and complete. The directors, supervisors, secretary of the Board, convener or his or her representative and chairman of the meeting present at the meeting shall sign on the minutes. The minutes shall be kept for no less than 10 years together with the attendance record of shareholders attending the meeting, the power of attorney for proxies attending the meeting and the valid information of voting via online voting or other methods.

**Article 79** The convener of the general meeting shall ensure that the general meeting is held continuously until the final resolutions are reached. In case the general meeting is adjourned or resolutions failed to be reached due to any special reasons like force majeure, measures shall be taken to resume the general meeting as soon as possible or to directly terminate the general meeting. An announcement and/or report shall be made accordingly in time and in accordance with laws, administrative regulations, departmental rules, normative documents or the securities regulatory rules of the place where the Company's shares are listed.

## Section 6 Voting and Resolutions of General Meetings

**Article 80** Resolutions of a general meeting shall be divided into ordinary resolutions and special resolutions.

Ordinary resolutions made by the general meeting shall be passed by votes representing more than half of the voting rights of shareholders attending the general meeting.

Special resolutions made by the general meeting shall only be passed if shareholders with voting rights taken more than two thirds of the total voting rights of all shareholders attending the meeting have voted in favor of the resolution.

The “shareholders” referred to in this Article include the shareholders who appoint proxies to attend the general meeting.

**Article 81** The following matters shall be passed through ordinary resolutions at a general meeting:

- (I) work reports of the Board and the Board of Supervisors;
- (II) plans of earnings distribution and loss make-up schemes prepared by the Board;
- (III) appointment and dismissal of the members of the Board and the Board of Supervisors, and their remuneration and payment methods;
- (IV) appointment and dismissal of accounting firms that provides regular audit services to the Company;
- (V) matters other than those shall be passed by special resolutions as specified by laws, administrative regulations, the securities regulatory authorities of the place where the securities of the Company are listed, the Hong Kong Listing Rules, or the Articles of Association.

**Article 82** The following matters shall be approved by way of special resolutions at a general meeting:

- (I) increase or reduction in the registered capital of the Company;
- (II) any division, merger, dissolution and liquidation or any changes in the form of the Company;
- (III) any amendment to the Articles of Association of the Company;

(VI) any other matters to be identified by an ordinary resolution of the general meeting as having a significant impact on the Company that shall be passed by a special resolution of the general meeting;

(VII) other matters required by laws, administrative regulations, the securities regulatory authority of the place where the securities of the Company are listed, the Hong Kong Listing Rules, or the Articles of Association to be passed by special resolutions.

**Article 83** Shareholders (including their proxies) shall exercise the voting rights with respect to the number of voting shares represented by them, and each share shall have one vote, except for the holders of a class of shares. When voting at the meeting, shareholders (including their proxies) who are entitled to two or more votes are not required to vote in favor of, against or abstain from voting for all of their votes.

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

If such shareholder is a recognized clearing house (or its nominee) as defined under the Securities and Futures Ordinance of Hong Kong or any relevant ordinance in force from time to time under the laws of Hong Kong, such shareholder shall be entitled to appoint proxies or representatives to attend the general meetings and creditors' meetings of the Company, and such proxies or representatives shall enjoy the same statutory rights as other shareholders, including the right to speak and vote.

The shares held by the Company do not have any voting rights, and such shares are not counted in the total number of voting shares upon attendance at a general meeting.

If any shareholders purchase any voting shares of the Company in violation of the regulations in the first and second clauses of Article 63 of the Securities Law, the shareholder shall not exercise the voting right of the shares beyond the proportion as stipulated in the regulations within 36 months after the purchase, and such shares shall not be counted in the total number of voting in the general meetings.

If, in accordance with applicable laws, administrative regulations, departmental regulations, regulatory documents, regulations of the securities regulatory authorities of the place where the shares of the Company are listed, any shareholder is required to waive the voting rights on any particular resolution or restricted to vote only for or only against any particular resolution, any voting cast by or on behalf of such shareholder (or its proxy) violating such regulations or restriction shall not be counted in the voting results.

The Board, independent non-executive directors, shareholders holding more than 1% of voting shares or investor protection institutions established according to laws, administrative regulations or regulations of the CSRC may publicly solicit the voting rights of shareholders. Information like specific voting intention should be thoroughly disclosed to shareholders with the voting rights to be collected. The solicitation of voting rights of shareholders in a way of compensation or disguised compensation shall be prohibited. Unless otherwise regulated by laws, the Company shall not set any restriction on the minimum shareholding percentage for the solicitation of voting rights.

**Article 84** When a connected transaction is considered at a general meeting, the related shareholders shall not vote, and the voting shares represented by them shall not be counted in the total number of valid voting shares. The announcement of the resolution made at the general meeting shall adequately disclose information relating to voting by non-related shareholders.

Where the laws, regulations, regulatory documents, the securities regulatory authority of the place where the shares of the Company are listed and the Hong Kong Listing Rules stipulates other regulations of the avoidance and voting procedures for connected transactions or any other matters reviewed in the general meetings, such regulations shall be complied with at the same time.

**Article 85** Save that the Company is under exceptional situations such as crisis, unless approved by way of special resolution at a general meeting, the Company shall not enter into any contracts to authorize the management of all or a substantial part of the business to any person other than the directors and senior management of the Company.

**Article 86** The list of candidates for directors and supervisors who are not employee representatives shall be proposed to the general meetings for voting in the form of motions.

The Board shall announce the resumes and basic information of the candidates for directors and supervisors to the shareholders. Candidates for directors and supervisors shall sign written confirmation to express their consent to the nomination, to ensure the authenticity, accuracy and completeness of the information publicly disclosed, to confirm their qualifications, and to promise due performance of the duties after being appointed.

When the general meetings shall adopt the cumulative voting system for voting in the election of directors and supervisors if required by the laws, administrative regulations, departmental rules, the regulations of the securities regulatory authorities of the places where the shares of the Company are listed, the Articles of Association or resolutions of the general meetings. The cumulative voting system shall refer to that the quantity of the voting right of each share equals the number of candidates for directors or supervisors in the election of two or more directors or supervisors in the general meetings, and shareholders may exercise their voting right collectively. The Board shall announce the resume and basic information of the candidates for directors and supervisors to the shareholders of the Company.

The procedures of the cumulative voting system are as follows:

- (I) Independent non-executive directors, non-independent non-executive directors and supervisors of the Company shall be elected and voted separately;
- (II) In the election of independent non-executive directors, the number of votes entitled to be acquired by each shareholder shall be the product of the shares held by the shareholder multiplied with the number of independent non-executive directors entitled to be selected by such shareholder. Such votes shall only be casted to candidates for independent non-executive directors of the Company, and the candidates with the highest number of votes shall be elected;

- (III) In the election of non-independent non-executive directors and supervisors, the number of votes entitled to be acquired by each shareholder shall be the product of the shares held by the shareholder multiplied with the number of non-independent non-executive directors and supervisors entitled to be elected by such shareholder. Such votes shall only be casted to candidates for non-independent non-executive directors and supervisors of the Company, and the candidates with the highest number of votes shall be elected;
- (IV) Where the number of candidates is more than the number stipulated in the Articles of Association, the number of independent non-executive directors, non-independent non-executive directors and supervisors elected by each shareholder shall not exceed the number of independent non-executive directors, non-independent non-executive directors and supervisors stipulated in the Articles of Association, and the total number of votes casted shall not exceed the number of votes entitled to be casted by shareholders. Otherwise, the relevant vote casted will be canceled and become invalid;
- (V) The scrutinizers and counting officers of the general meetings shall carefully verify the above situations to ensure the impartiality and effectiveness of the cumulative voting system.

**Article 87** Except for the cumulative voting system, all resolutions proposed at the general meetings may shall be voted one by one. In case there are different proposals for the same matter, the proposals shall be voted in the sequence of the submission time of such proposals. Except for special reasons such as force majeure that results in the interruption of the meeting or the failure to come to resolutions, the general meetings shall not put aside or refuse to vote on any proposals.

**Article 88** In reviewing proposals at the general meeting, no change shall be made to the proposals. Otherwise, such changes shall be deemed as a new proposal which shall not be voted in the current general meeting.

**Article 89** The same voting right shall only be exercised by one voting method, either through on-site voting, online voting or other voting methods. In case of repeated voting of the same voting right, the first voting result shall prevail.

**Article 90** The general meetings shall adopt voting by registered ballot and may vote by electronic means.

**Article 91** Prior to voting, the general meeting shall elect two shareholder representatives to count the votes and scrutinize the voting. If the shareholder is interested in the matter to be discussed, the relevant shareholder and his proxy shall not participate in the vote counting and scrutinizing of the voting.

When the general meeting votes on the proposals, the lawyer (if applicable), shareholder representative and supervisor representative shall be jointly liable for the vote counting and scrutinizing of the voting. The voting results shall be announced on site and recorded in the minutes.

Shareholders of the Company or their proxies adopting online voting or other voting methods shall have the right to verify their voting results through relevant voting system.

**Article 92** The on-site general meeting shall not close earlier than the online meeting or other methods of the meeting. The chairperson of the meeting should announce the voting status and result of each proposal and announce whether the proposal is passed according to the voting result.

Prior to the official announcement of the voting results, the relevant parties involving in the on-site voting, online voting and other voting methods including the companies, counting officers, scrutinizers, shareholders, internet service providers shall be obliged to keep the voting status confidential.

**Article 93** Shareholders attending the general meeting shall take one of the following stances for each proposal submitted for voting: for, against or abstain. The securities depository and clearing institutions shall work as the nominal shareholder under the inter-connected mechanism for trading on stock markets in the Mainland and Hong Kong, except as declared according to the intention of the actual shareholder.

The blank votes, votes with mistakes, votes with illegible words and votes not submitted shall all be deemed as that the voters have given up the voting rights, and the voting results of such shares shall be counted as abstain.

**Article 94** If the chairman of the meeting has any doubt about the result of the resolution submitted for voting, he or she may conduct a counting of the votes. If the chairman of the meeting does not conduct a counting of votes and the shareholders or proxies at the meeting with any objections to the results announced by the chairman of the meeting shall have the right to request for a counting of votes immediately after the announcement of the voting results, and the chairman of the meeting shall conduct the counting of votes immediately.

**Article 95** The voting results for resolutions at the general meeting shall be announced in a timely manner. The announcement shall indicate the number of shareholders and proxies that attended the meeting, the total number of voting shares and its proportion to the total voting shares of the Company, voting method, voting results for each proposal, detailed information of each resolution passed, and other contents to be announced according to requirements of the Hong Kong Listing Rules.

**Article 96** If any proposal is not passed or the current general meeting amends the resolution of the last general meeting, special reminder shall be given in the announcement of the resolutions of the general meeting.

**Article 97** If a proposal for the election of directors or supervisors is passed at the general meeting, the term of office of the newly appointed directors and supervisors shall commence from the date of the resolution in the general meeting or the date of the appointment taking effect as indicated in the resolution.

**Article 98** Where any proposal for cash dividends, share allocation or conversion from the capital reserves to share capital is passed at the general meeting, the Company shall carry out the specific plans within two months after the end of the general meetings.

## Chapter 5 Board of Directors

### Section 1 Directors

**Article 99** The directors of the Company shall be natural persons. Any natural person shall not serve as a director of the Company if he or she:

- (I) has no civil capacity or has limited civil capacity;
- (II) has been subject to criminal penalties due to corruption, bribery, embezzlement or misappropriation of property or sabotaging the socialist market economic order; or has been deprived of his or her political rights due to any criminal conviction, where no more than five years have elapsed since the date of completion of the execution of such penalty or deprivation; where the person has been granted probation, less than two years have elapsed since the completion of the probationary period;
- (III) has served as a former director, the factory chief or the manager of a company or enterprise bankrupted or liquidated, and was held personally liable for the bankruptcy, and no more than three years has elapsed since the date of completion of the bankruptcy or liquidation of such company or enterprise;
- (IV) has served as the legal representative of a company or enterprise whose business license was revoked or which was ordered to close down due to any violation of law, and was held personally liable for the revocation, and no more than three years has elapsed since the date of cancellation of business license or the order to close;
- (V) has defaulted on a personal debt in a significant amount and has been listed as a dishonest judgment debtor by the People's Court;
- (VI) has been banned from entering the securities market by the relevant regulatory authorities and the period has not elapsed;
- (VII) has been publicly censured by the securities regulatory authority of the place where the Company's shares are listed as being unfit to serve as a director or senior management of a listed company, and the period of such censure has not yet expired;
- (VIII) is banned under other circumstances specified in the laws, administrative regulations, departmental rules, the securities regulatory authority of the place where the securities of the Company are listed or the Hong Kong Listing Rules.

If any director is elected or appointed in violation of the provisions of the preceding paragraph, such election, appointment or employment shall be null and void.

The Company shall dismiss a director from office and stop him/her from fulfilling the duties if the circumstances of this Article arise during his or her term of office.

**Article 100** Methods and procedure for nomination of directors are as follows:

Candidates for directors other than independent non-executive directors shall be nominated by the Board and shareholders holding more than 3% of the voting shares of the Company individually or jointly. The Board shall review the eligibility of the candidates. After reviewing that the qualification of candidates for directors are satisfied, the Board shall convene the general meeting to elect and appoint the directors.

Candidates for independent non-executive directors shall be nominated by the Board, Board of Supervisors and shareholders holding more than 1% of the voting shares of the Company individually or jointly. The Board shall review the eligibility of the candidates. After reviewing that the eligibility of candidates for independent non-executive directors are satisfied, the Board shall convene the general meeting to elect and appoint the directors. The method and procedure of nomination for independent non-executive directors of the Company shall be carried out according to laws, regulations and regulatory documents.

**Article 101** Directors of the Company shall be elected or replaced at the general meeting, which may dismiss directors before the expiration of their term of office. Subject to any violation against applicable laws and administrative regulations, may be removed from office before the expiration of their term of office by ordinary resolutions (the compensation claims by the director according to any contract shall not be affected for the reason of such removal specified in this Article).

The term of office of a director shall be three years, and shall be renewed upon the expiration of the term of office if he or she is re-elected, except where the relevant laws and regulations, Hong Kong Listing Rules and other regulatory rules of the place where the Company's shares are listed provide otherwise.

The term of office of a director shall be calculated from the date of duty assumption until the expiration of the term of office of the current session of the board. In the event re-election is not held in time upon the expiry of the term of office of directors, the original directors shall fulfill duties of directors according to laws, administrative regulations, departmental rules and the Articles of Association before the newly appointed or elected directors assumes the office.

Subject to any violation against the laws, administrative regulations and regulatory provisions, if the Board appoints any new director to fill any casual vacancy of the Board, the term of office of the newly appointed director shall expire on the first general meeting after the appointment. At the same time, such director shall be eligible for re-election.

**Article 102** Directors shall observe the laws, administrative regulations, regulatory rules of the place where the securities of the Company are listed and the Articles of Association, and owe the duty of loyalty to the Company, adopting measures to avoid the conflict of interests between their personal interests and those of the Company. Directors shall not take advantage of their powers to seek illegitimate benefit. Directors shall bear the following obligations of loyalty:

- (I) Directors shall not embezzle any property of the Company and misappropriate the Company's funds;
- (II) Directors shall not deposit any funds of the Company in any accounts opened in their own names or in the name of any other persons;

- (III) Directors shall not take advantage of their powers to receive any bribes or other illegal income;
- (IV) Directors shall not enter into any contracts or transactions with the Company directly or indirectly without reporting to the Board or the general meeting and obtaining approval through the resolution of the Board meeting or the general meeting in accordance with the provisions of the Articles of Association;
- (V) Directors shall not take advantage of their powers to pursue any business opportunities that should belong to the Company for themselves or other persons except where they have reported to the Board or the general meeting and obtained approval through the resolution of the Board meeting or the general meeting, or where the Company may not pursue such business opportunities in accordance with the provisions of laws, administrative regulations or the Articles of Association;
- (VI) Without reporting to the Board or the general meeting and obtaining approval through the resolution, directors shall not operate the same type of business with the Company on their own or for others;
- (VII) Directors shall not pocket commissions from the transactions between others and the Company;
- (VIII) Directors shall not disclose any confidential information of the Company without authorization;
- (IX) Directors shall not utilize its related party relationship to compromise the interest of the Company;
- (X) Directors shall bear other obligations of loyalty specified by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association.

Any income derived by a director from violating the provisions of this Article shall belong to the Company. The director shall also be liable for the compensation of the losses suffered by the Company thereto.

Close relatives of directors, entities directly or indirectly controlled by directors or their close relatives and related parties having other relevant connections with directors shall comply with the provisions of the fourth item of the second paragraph of this Article when entering into contracts or conducting transactions with the Company.

**Article 103** Directors shall comply with the laws, administrative regulations, regulatory rules of the places where the securities of the Company are listed and the Articles of Association and owe the duty of due diligence to the Company. When performing their duties, directors shall exercise the reasonable care ordinarily expected of a manager in the best interests of the Company. Directors shall bear the following duty of due diligence to the Company:

- (I) Directors shall prudently, seriously and diligently exercise rights conferred by the Company to ensure that the business activities of the Company are in compliance with the requirements of laws, administrative regulations and various economic policies of the State and that the business activities shall not exceed the scope of business specified in the business license of the Company;

- (II) Directors shall fairly treat all shareholders of the Company;
- (III) Directors shall learn about the status of business and management of the Company in a timely manner;
- (IV) Directors shall issue a written confirmation of opinions for regular reports of the Company and ensure the authenticity, accuracy and completeness of information disclosed by the Company;
- (V) Directors shall truthfully provide the relevant information and materials to the Board of Supervisors, and shall not hinder the Board of Supervisors or any supervisors from exercising their powers;
- (VI) Directors shall fulfill other duty of due stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, and the Articles of Association.

**Article 104** Unless otherwise stipulated in this Article, the regulations relating to the qualifications and obligations of directors in the Articles of Association shall be applicable to independent non-executive directors of the Company. Independent non-executive directors shall faithfully perform their duties, safeguard the interests of the Company, protect the legal interests of shareholders of public shares, and ensure that the interests of all shareholders can be fully represented.

If any independent non-executive director fails to meet the qualifications and independence specified in the Hong Kong Listing Rules or encounters any other circumstances inappropriate for him or her to fulfill his or her duties such that the number of independent non-executive directors of the Company falls below the quorum in the Articles of Association, the Company shall inform the Hong Kong Stock Exchange immediately, and explain the relevant details and reasons in the announcement. The Company shall, within three months after the non-compliance, fill up the number of independent non-executive directors to meet requirements of the Listing Rules of Hong Kong.

**Article 105** Any director who fails to attend two consecutive meetings of the Board in person and fails to appoint any other directors to attend on his behalf shall be deemed to be unable to perform his or her duties. The Board shall propose to the general meeting to remove such director.

**Article 106** A director may resign before the expiration of his or her term of office. The director shall submit a written resignation report to the Company. The resignation takes effect on the date when the Company receives the resignation report, and the Company shall disclose the relevant information within two days.

Where the number of directors of the Board falls below the minimum number of directors stipulated in the Company Law or Hong Kong Listing Rules, or where the composition of the Board fails to meet the requirements of relevant laws, administrative regulations, departmental rules, and the Hong Kong Listing Rules. Due to the resignation of any director, the original directors shall perform their duties according to laws, administrative regulations, departmental rules, Hong Kong Listing Rules and the Articles of Associations before the newly-elected director assumes the office.

**Article 107** Upon the effectiveness of a director's resignation or the expiration of his or her term of office, the director shall complete all handover procedures with the Board. His or her obligations to keep the trade secrets of the Company confidential shall remain valid after the expiration of his or her term of office until the relevant secrets become publicly available information. The liability that directors incur during their term of office for performing their duties shall not be exempted or terminated upon resignation. The duration for which other obligations continue shall be determined comprehensively based on the principle of fairness, considering factors such as the nature of the matter, its significance to the Company, the duration of its impact on the Company, and the relationship with the director.

**Article 108** The general meeting may resolve to dismiss a director, and such dismissal takes effect on the date of the resolution.

Where a director is dismissed without any valid justification before the expiration of his or her term, the director may demand compensation from the Company.

**Article 109** Unless otherwise specified in the Articles of Association or duly authorized by the Board, no director shall act on behalf of the Company or the Board in his personal capacity. When a director acts in his or her personal capacity, and a third party may reasonably believe that such directors is acting on behalf of the Company or the Board, the director shall declare his or her stance and capacity in advance.

**Article 110** If the Company suffers any losses due to a director's violation of laws, administrative regulations, departmental, regulatory rules of the places where the securities of the Company are listed or the Articles of Association in fulfilling their duties, the director shall be liable for compensation. If a director causes damage to others while performing his or her duties to the Company, the Company shall bear the liability for compensation; If the director acts with intent or gross negligence, he or she shall also bear the liability for compensation.

Upon the approval of the general meeting, the Company may purchase liability insurance for directors. However, the liability caused by violations of directors against laws, regulations or this Articles of Association shall be excluded from the coverage of the above insurance.

**Article 111** The matters relating to independent non-executive directors of the Company shall be carried out according to laws, administrative regulations and regulations of the relevant regulatory authority and stock exchange, and shall be regulated in details in the work system of independent non-executive directors of the Company.

## **Section 2 Board of Directors**

**Article 112** The Company shall establish the Board.

**Article 113** The Board shall consist of nine directors and a chairman. The chairman of the Board shall be elected by more than half of the votes by the directors. The Board of the Company shall include executive directors, non-executive directors and/or independent non-executive directors. The Board shall at least have three independent non-executive directors, and the number of such directors shall account for at least one-third of the total number of directors of the Board. Independent non-executive directors shall at least have one director with appropriate professional qualifications required by laws, regulations and requirements of the relevant regulatory authority and the stock exchange, or appropriate expertise in accounting or financial management. The Company shall at least have one independent non-executive director permanently living in Hong Kong.

**Article 114** The Board shall perform the following duties:

- (I) to convene the general meetings and report to the general meetings;
- (II) to implement the resolutions of the general meetings;
- (III) to determine business operation plans and investment proposals of the Company;
- (IV) to formulate the plans for profit distribution and recovery of losses of the Company;
- (V) to formulate plans of the Company regarding increase or reduction of the registered capital of the Company, issuance of bonds or other securities and listing;
- (VI) to formulate plans for major acquisitions, purchase of shares of the Company, merger, division, dissolution or changes in the form of the Company;
- (VII) to determine the matters such as the Company's external investment, purchase or sales of assets, asset pledge, external guarantee, entrusting wealth management, connected transactions, external donation and other relevant matters within the scope authorized by the general meeting;
- (VIII) to decide on the setup of the internal management organization of the Company;
- (IX) to determine the appointment or dismissal of the general manager and secretary to the Board and other senior management of the Company, as well as to determine their remuneration and disciplinary matters; and based on the nomination of the general manager, to appoint or dismiss the deputy general manager, the chief financial officer and other senior management of the Company, and to determine their remuneration, rewards and punishments;
- (X) to formulate the basic management systems of the Company;
- (XI) to formulate plans for any amendments to the Articles of Association;
- (XII) to manage the disclosure of information of the Company;
- (XIII) to propose at the general meeting the appointment or replacement of the accounting firm that performs audit for the Company;
- (XIV) to receive the work report of the general manager of the Company and examine on the work of the general manager;
- (XV) to formulate and implement the equity incentive plan of the Company;
- (XVI) to fulfill other duties and powers granted by laws, administrative regulations, departmental rules, listing rules of the place where the shares of the Company are listed or the Articles of Association.

If the matter exceeds the scope authorized by the general meeting, it shall be submitted to the general meeting for deliberation.

The Board of the Company shall set up four special committees including Audit Committee, Nomination Committee, Remuneration and Appraisal Committee, and Strategy Committee. Special committees shall report to the Board, perform duties according to the Articles of Association and authorization of the Board, and submit proposals to the Board for consideration and decision. Special committees shall be formed by directors of the Company in compliance with laws, administrative regulations, regulations of the regulatory authority of the place where the shares of the Company are listed and the Hong Kong Listing Rules. The Board shall formulate work principles for special committees and regulate the operation of special committees.

**Article 115** The Board shall make explanations to the general meeting for non-standard audit opinion issued by certified public accountants in the financial statements of the Company.

**Article 116** The Board shall formulate rules of procedure for the Board to ensure that the implementation of resolutions of the general meetings, improve work efficiency and ensure that the decision-making process is conducted in a scientific manner.

The rules of procedure of the Board shall be drafted by the Board and approved by the general meeting, which shall be taken as an appendix to the Articles of Association.

**Article 117** The Board shall establish authorization limits for matters including external investments, acquisition and disposal of assets, pledges of assets, external guarantees, entrusted asset management, connected transactions and external donations, and shall implement rigorous review and decision-making procedures. The Board shall organize relevant experts and professionals to assess major investment projects and submit such projects to the general meeting for approval.

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

- (I) to chair the general meetings, and to convene and chair the meetings of the Board;
- (II) to sign important documents of the Board;
- (III) to supervise and check the implementation of board resolutions;
- (IV) to exercise other powers granted by the Board;
- (V) to exercise other powers granted by laws, administrative regulations, department rules, listing rules of the place where the shares of the Company are listed or the Articles of Association.

**Article 119** In the event that the chairman is incapable of performing or does not perform his or her duties, a directors nominated by more than half of the directors shall perform the duties.

**Article 120** The Board shall convene regular meetings, at least four times in each year and approximately once each quarter. The meeting shall be convened by the chairman of the board. The meeting notice shall be delivered to all directors and superiors in writing 14 days before the date of the meeting. If necessary, the meeting notice shall also be sent to the general manager and other senior management of the Company.

**Article 121** Shareholders representing more than 1/10 of voting rights of the Company, more than one-third of all directors, or the Board of Supervisors may propose to convene a temporary meeting of the Board. The chairman shall convene and chair a board meeting within 10 days from the receipt of such request. The chairman may also convene and chair a temporary board meeting if he or she deems necessary.

**Article 122** The notice on convening any temporary meeting of the Board shall be delivered in writing five days before the date of the meeting to all directors, supervisors, the general manager, and if necessary other senior management of the Company. Under the urgent circumstances requiring the prompt convening of the temporary meeting of the Board, the delivery of the notice may be exempted from the time limit specified in the preceding paragraph.

**Article 123** The notice of the meeting of the Board should include the following:

- (I) time and place of the meeting;
- (II) duration of the meeting;
- (III) reasons and issues of discussion;
- (IV) date on which the notice is given.

**Article 124** The meeting of the Board may only proceed if more than half of all directors are present at the meeting. Resolutions made by the Board shall be passed by votes of more than half of all directors.

The voting in for board resolutions shall adopt one vote per person.

**Article 125** A director with connected relationship with the companies involved with any matters in the resolution of the Board shall neither exercise the voting right for the resolution, nor exercise the voting right on behalf of any other directors. Such meeting of the Board shall only proceed if more than half of directors with no connected relationship present at the meeting. The resolutions of the Board shall be passed by votes of more than half of directors with no connected relationship (resolutions in paragraphs (VI), (VII) and (XII) in the Article 113 of the Articles of Association shall be passed by votes of more than two-third of all directors with no connected relationship). In case there is less than three directors with no connected relationship present in the meeting, the matter shall be submitted to the general meeting for review and approval.

The Board shall also comply with other regulations in the laws, administrative regulations, regulatory documents, the regulatory authority of the place where the shares of the Company are listed or the Hong Kong Listing Rules.

**Article 126** The voting at the meetings of the Board shall be conducted by open ballot or by show of hands.

**Article 127** Unless otherwise regulated by applicable laws, administrative regulations and regulatory documents or the Hong Kong Listing Rules, subject to the thorough expression of opinions by all directors, the temporary meeting of the Board may be convened and pass resolutions by video conference, telephone conference or handover of written documents for signature, and all directors present at the meeting shall sign on such resolutions. If the Board has distributed the motions to all directors, the number of directors signing to consent the motions has reached the quorum, and the signed documents of the consent have been sent to the secretary of the Board through the above method, the motion will be deemed as a resolution passed by the Board, with the same legal force as the resolutions passed in the meetings of the Board convened according to the procedures regulated in relevant provisions of the Articles of Association.

The regular meetings of the Board shall not be convened in the form of handover of written documents for signature. If any substantial shareholder (as defined in the applicable regulations in effect from time to time in the Hong Kong Listing Rules) or director has any major conflict of interests in the matters to be discussed in the belief of the Board, the relevant matters shall be handled by way of board meetings (instead of written resolutions).

**Article 128** A director shall attend the meeting of the Board in person. Where a director is unable to attend the meeting the Board for any reasons, he may appoint another director to attend on his behalf by a written power of attorney. The power of attorney shall specify the name of the proxy, the matters for entrustment, the scope of authorization and validity period, and shall be signed or sealed by the principal. A director who attends the meeting on behalf of another director shall exercise the rights of a director within the scope of the authorization. A director who does not attend a meeting of the Board in person or by proxy shall be deemed to have abstained from voting at such meeting.

**Article 129** The Board shall keep the minutes of the decisions on the matters discussed at the meeting, and all directors present at the meeting shall sign on the minutes. The minutes of the meetings of the Board shall be kept by the secretary of the Board as company files for no less than 10 years.

**Article 130** The minutes of the meeting of the Board should include the following:

- (I) the date, venue and name of the convener of the meeting;
- (II) the name of the directors present at the meeting, and the name of directors (proxies) present at the meeting appointed by other directors;
- (III) the meeting agenda;
- (IV) summaries of the speeches of directors;

## Chapter 6 General Manager and Other Senior Management

**Article 131** The Company shall have one general manager, who shall be appointed or dismissed by the Board.

The Company may have several deputy general managers according to its need, who shall be appointed or removed by the Board.

The general manager, deputy general manager, secretary of the Board, chief financial officer and other management personnel other than the securities representative appointed by the Board are senior management personnel of the Company.

**Article 132** The circumstances specified in the Articles of Association under which a director may not serve as a director shall also apply to the general manager and other senior management of the Company.

The provisions concerning the duties of loyalty and due diligence specified in the Articles of Association shall also apply to the general manager and other senior management of the Company.

**Article 133** A personnel serving in the administrative capacity other than serving as the director and the supervisor in any controlling shareholders of the Company shall not serve as senior management of the Company.

The senior management of the Company shall receive remuneration from the Company only, and the controlling shareholder shall not pay any remuneration to them on behalf of the Company.

**Article 134** The term of office of the general manager is three years and may be renewed upon reappointment by the Board.

**Article 135** The general manager of the Company shall report to the Board, and shall exercise the following functions and powers:

- (I) to be in charge of the production operation and management work of the Company, to organize the implementation of the resolutions of the Board and to report his or her work to the Board;
- (II) to organize the implementation of the annual operation plans and investment proposals of the Company;
- (III) to draft the plan for establishing the internal management body of the Company;
- (IV) to develop the basic management system of the Company;
- (V) to develop the specific rules of the Company;
- (VI) to suggest to the Board on the appointment or removal of any deputy general manager, the chief financial officer and other senior management of the Company;

(VII) to appoint or dismiss officers other than those to be appointed or dismissed by the Board;

(VIII) to exercise other functions and powers granted by the Articles of Association or the Board.

The general manager shall attend meetings of the Board.

**Article 136** The general manager may resign before the expiration of his or her term of office. The specific procedures and methods for the resignation of the general manager shall be determined according to the regulations of the employment contract between the general manager and the Company.

**Article 137** The deputy general manager, the chief financial officer and other senior management of the Company shall be nominated by the general manager and appointed or removed by the Board. The deputy general manager shall assist the general manager in performing the relevant functions and powers and shall report to the general manager. The general manager may delegate powers to the deputy general manager.

**Article 138** The Company shall have one secretary of the Board to take charge of the preparation of the general meetings and meetings of the Board, the safekeeping of documents and management of the information of the shareholders, and matters like disclosure of information.

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

**Article 139** In case the general manager and other senior management violate the laws, administrative regulations, departmental rules or the Articles of Association in fulfilling their duties of the Company, and as a result cause loss to the Company, the general manager and other senior management shall be liable for compensation.

**Article 140** The senior management of the Company shall faithfully perform their duties and act in the best interests of the Company and all shareholders. Where any senior management of the Company fails to faithfully perform his or her duties or breaches his or her obligation of good faith and thereby causes damage to the interest of the Company and shareholders of public shares, he or she shall be liable for compensation according to the laws.

## **Chapter 7 Board of Supervisors**

### **Section 1 Supervisors**

**Article 141** The circumstances regarding the disqualification for the position of the director specified in the Articles of Association shall also apply to supervisors.

No director, general manager and other senior management of the Company shall serve as a supervisor.

**Article 142** The method and procedure of nomination of a supervisor are shown below:

Candidates for non-employee representative supervisors shall be nominated by the Board of Supervisors and shareholders holding more than 3% of the voting shares of the Company individually or jointly. The Board of Supervisors shall examine the qualification of the candidates. If the candidate satisfies the qualification requirements, the Board of Supervisors shall apply to the general meeting to elect and appoint the supervisor.

The employee representative supervisor in the Board of Supervisors shall be elected at the employee representative congress, employee congress or in any other democratic form.

**Article 143** Supervisors of the Company shall comply with laws, administrative regulations and the Articles of Association and bear the obligations of loyalty and due diligence to the Company. Supervisors of the Company shall not take advantage of their powers to receive any bribes or other illegal income and shall not embezzle any property of the Company.

**Article 144** The term of office of a supervisor shall be three years. Upon the expiration of the term of office, the supervisor may serve another term of office if re-elected.

**Article 145** The supervisor may resign before the expiration of the term of office. The provision concerning the resignation of directors in the Articles of Association shall apply to the supervisors.

**Article 146** Where a new supervisor has not yet been elected upon the expiration of the term of office, or the number of supervisors in the Board of Supervisors falls below the quorum due to the resignation of a supervisor during his or her term of office, the original supervisor shall continue to perform his or her duties according to the laws, administrative regulations and the Articles of Associations before the newly-elected supervisor assumes the office.

**Article 147** Supervisors of the Company shall ensure the authenticity, accuracy and completeness of information disclosed by the Company, and shall sign written confirmation of opinions for regular reports of the Company.

**Article 148** Supervisors of the Company shall attend the meetings of the Board and make inquiries and suggestions for the matters to be decided by the Board.

**Article 149** No supervisor of the Company shall take advantage of their connected relationships to damage the interests of the Company, and shall be liable for compensation where any loss is incurred as a result of any such violation to the Company.

**Article 150** Where the Company incurs loss as a result of violation of the laws, administrative regulations, departmental rules or the Articles of Association by the supervisors in performing their duties of the Company, the supervisors of the Company shall be liable for compensation.

## Section 2 Board of Supervisors

**Article 151** The Company shall have a Board of Supervisors. The Board of Supervisors shall consist of three supervisors, including a Chairman, who shall be elected or removed by more than half of all supervisors of the Company. The chairman of the Board of Supervisors shall convene and chair the meetings of the Board of Supervisors. In case the chairman is incapable of performing his or her duties or does not perform such duties, more than half of all supervisors of the Company shall elect a supervisor to convene and chair the meeting of the Board of Supervisors.

The Board of Supervisors shall include shareholder representatives and employee representatives. Among them, the proportion of employee representatives shall be no less than one-third of all supervisors.

**Article 152** The Board of Supervisors shall exercise the following powers:

- (I) to review the regular report of the Company prepared by the Board and to provide comments in writing;
- (II) to inspect the financial position of the Company;
- (III) to supervise the performance of the directors and senior management and to advise the dismissal of any directors and senior management who violate the laws, administrative regulations, the Articles of Association or resolutions of the general meetings;
- (IV) to demand rectifications of the directors and senior management where their conducts are detrimental to the interest of the Company;
- (V) to propose to convene an extraordinary general meeting and to convene and chair the general meetings if the Board fails to do so as required by the Company Law;
- (VI) to submit proposals at a general meeting;
- (VII) to institute proceedings against directors and senior management according to the Company Law;
- (VIII) to investigate if there is any abnormalities in the operation of the Company; and if necessary, to engage professional institutions such as an accounting firm and a law firm to assist with its work at the expenses of the Company;
- (IX) to exercise other powers granted by laws, administrative regulations, departmental rules, listing rules of the place where the shares of the Company are listed or the Articles of Association.

**Article 153** The meetings of the Board of Supervisors shall consist of regular meetings and temporary meetings.

Regular meetings of the Board of Supervisors shall be held at least once every six months. Supervisors may propose to convene temporary meetings of the Board of Supervisors. The notices of regular meetings and temporary meetings of the Board of Supervisors shall be delivered to all supervisors 10 days and 5 days in advance respectively.

**Article 154** The notice of the meeting of the Board of Supervisors shall include the following:

- (I) the date, venue and duration of the meeting;
- (II) reasons and matters for discussion;
- (III) the date on which the notice is given.

**Article 155** Where a temporary meeting of the Board of Supervisors is required to be convened as soon as possible for emergency, the notice of the meeting may be given in oral form. The contents of the notice shall at least include the date, venue, reasons and issues of discussion, as well as statement about the emergency for the meeting.

The Board of Supervisors shall formulate rules of procedure of the Board of Supervisors to define the discussion method and voting procedure to ensure the work efficiency and that the decision-making process is conducted in a scientific manner. The rules of procedure of the Board of Supervisors shall be drafted by the Board of Supervisors and approved by the general meeting, which shall be taken as an appendix to the Articles of Association.

**Article 156** The voting of the Board of Supervisors shall adopt one vote per supervisor.

**Article 157** The resolutions of the Board of Supervisors shall be passed by more than half of the supervisors.

**Article 158** Subject to the thorough expression of opinions by all supervisors, the temporary meetings of the Board of Supervisors may be convened and pass resolutions through on-site show of hands, registered ballot or electronic means of voting. Such resolutions shall be signed by all participating supervisors.

**Article 159** The Board of Supervisors shall keep the minutes of the decisions on the matters discussed at the meeting, and all supervisors present at the meeting shall sign on the minutes.

Supervisors shall have the right to make certain explanatory statements to their speeches at the meeting in the minutes. The minutes of the meeting of the Board of Supervisors shall be kept as company files.

## **Chapter 8 Financial and Accounting System, Profit Distribution and Audit**

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

**Article 160** The Company shall establish its financial and accounting system according to the laws, administrative regulations and the requirements of the relevant governmental authorities.

**Article 161** The accounting year of the Company is based on the calendar year system, which is from January 1 to December 31 of each calendar year. The Company shall prepare a financial accounting report at the end of each fiscal year, which shall be audited by an accounting firm in accordance with the laws. The financial accounting report shall be prepared according to laws, administrative regulations and departmental regulations.

**Article 162** The Company shall publish two result announcements in each fiscal year, including an interim result announcement within two months after the end of the first six months of each fiscal year, and an annual result announcement within three months after the end of each fiscal year.

Where the above announcements is otherwise regulated by laws, administrative regulations, the securities regulatory authority of the place where the shares of the Company are listed and the Hong Kong Stock Exchange, those provisions shall prevail.

**Article 163** The Company shall not keep accounts other than those required by laws. The funds of the Company shall not be kept under the name of any individuals.

**Article 164** In distribution of the profit after tax of the year, 10% of the profit shall be contributed to the statutory reserves of the Company. When the aggregate statutory reserves of the Company has reached more than 50% of the registered capital, the Company may cease to make further contribution.

Where the statutory reserves of the Company is not sufficient to recover the losses for the previous year, the profit of the current year shall first be used to recover the losses before contributing to the statutory reserves as stipulated above.

The Company may also appropriate funds to the discretionary surplus reserves from the profit after tax upon the appropriation of funds to the statutory reserves, subject to the resolution of the general meeting.

Except where the distribution is not proportionate according to laws, regulations, regulatory rules of the place where the securities of the Company are listed, the Hong Kong Listing Rules or the Articles of Association, the Company may distribute the profit after tax according to the proportion of shareholdings after making up for losses and making allocations to the reserves.

If the general meeting distributes profits to shareholders before the Company recovers losses and makes allocations to the statutory reserves in violation of the above provisions, the shareholders shall return the profits distributed in violation of the provisions to the Company; where the distribution of profits causes losses to the Company, the shareholders and the liable directors, supervisors and senior management shall bear the liability for compensation.

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

**Article 165** The reserves of the Company may be used to recover losses, expand the production and operation of the Company, or be converted to increase the registered capital of the Company.

When the reserves are used to recover the losses of the Company, discretionary reserves and statutory reserves shall be used first; if the losses still cannot be recovered, the Company may use the capital reserves according to the regulations.

The remaining statutory reserves after the conversion into registered capital shall be no less than 25% of the registered capital of the Company before the conversion.

**Article 166** After the general meeting of the Company resolves on the plan for profit distribution, the Board shall distribute the dividends (or shares) within two months following the convening of the general meeting.

**Article 167** The Company may distribute dividends through the following two methods (or through both methods simultaneously):

- (I) cash
- (II) shares.

The Company implements a consistent and stable policy for dividend distribution each year based on its operating performance and market conditions, giving full consideration to shareholders' interests.

When the Company achieves profitability in a given year and meets the conditions for profit distribution, the Board shall formulate a plan for profit distribution based on the Company's specific operating conditions. Such plan shall be submitted to the general meeting for approval before implementation.

**Article 168** The Company shall appoint one or more collecting agents for shareholders of H-share. The collecting agents shall collect the dividends and other payments derived from H-share on behalf of the relevant shareholders. The collecting agent shall hold such funds in custody and then pay them to the corresponding shareholders.

The collecting agent appointed by the Company shall comply with requirements specified in the laws of the place where the shares of the Company is listed or relevant regulations of the stock exchange.

The collecting agent appointed by the Company for shareholders of H-share listed in Hong Kong shall be a trust company registered under the Trustee Ordinance of Hong Kong.

## **Section 2 Internal Audit**

**Article 169** The Company shall adopt an internal audit system, clarifying the leadership structure, duties and powers, staffing, guarantees of funding, application of audit results, and accountability mechanisms for the internal audit work.

**Article 170** The internal audit team of the Company shall supervise and review the matters including the Company's business activities, risk management, internal control, financial information and so on.

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

**Article 171** The Company shall appoint an accounting firm that meets the requirements of laws, regulations and the regulatory rules of the place where the securities of the Company are listed and has a good reputation to conduct the audit of accounting statements, verification of net assets and other relevant consulting services for a period of one year, which may be renewed.

**Article 172** Except for the circumstance in Article 176, the decision on the appointment, dismissal or non-renewal of the accounting firm shall be made by the general meeting. The Board shall not appoint the accounting firm before the general meeting resolves on this matter.

**Article 173** The Company shall ensure that it will provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information to the accounting firm appointed without any objection, omission or falsehood.

**Article 174** The audit expenses of the accounting firm shall be determined by the general meeting.

**Article 175** In the event of termination of the appointment or non-renewal of the appointment of the accounting firm, the Company shall notify the accounting firm 20 days in advance. In the voting for the dismissal of the accounting firm at the general meeting, the Company shall allow the accounting firm to make its representation.

**Article 176** If the position of an appointed accounting firm is vacant, the Board may, before convening any the general meeting, appoint an accounting firm and determine its remuneration, provided that such appointment shall be confirmed at the next annual general meeting. However, if the Company has other incumbent accounting firm during the vacant period, such accounting firm shall still perform their duties.

In case of resignation of the accounting firm, the accounting firm shall explain to the general meeting whether the Company has any improper circumstances.

### **Chapter 9 Notice**

**Article 177** In compliance with laws, administrative regulations, departmental rules and regulatory rules of the place where the shares of the Company are listed, notices of the Company shall be delivered in the following forms:

- (I) personal delivery;
- (II) e-mails or mails;
- (III) announcement;
- (IV) any other form stipulated in the regulatory rules of the place where the shares of the Company are listed, or the Articles of Association.

Where the notice of the Company is served by way of announcement in compliance with laws, administrative regulations, departmental rules and regulatory rules of the place where the shares of the Company are listed, all relevant persons (including all shareholders of unlisted shares, shareholders of unlisted foreign shares, and shareholders of overseas-listed foreign shares) shall be deemed to have received the notice upon the publication of the announcement.

**Article 178** For the method of providing or sending Company communication to shareholders of H-share according to the Hong Kong Listing Rules, subject to laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association, the Company may provide or send Company communication to shareholders of H-share by posting on the website designated by the Company and/or the website of the Hong Kong Stock Exchange or any other electronic method. The Company communication referred to in the preceding paragraph shall include any documents sent or to be sent by the Company to any shareholders of H-share or any other persons required in the Hong Kong Listing Rules for their reference or for their further actions. The notices of convening the general meetings shall be served by personal delivery, e-mails, post, announcement or any other method regulated by the rules of procedure of the general meeting.

**Article 179** The notices of convening the meetings of the Board shall be served by personal delivery, e-mails, post, announcement or any other method regulated by the rules of procedure of

**Article 185** In a merger of companies, all parties to the merger shall sign a merger agreement and prepare their respective balance sheets and checklists of assets. The companies shall notify the creditors within 10 days upon the passing of the resolution about merger and publish an



**Article 195** In case of the situations in the paragraphs (I) and (II) of Article 194 of the Articles of Association, and the Company has not yet distributed its assets to shareholders, the Company may continue the operation by amending the Articles of Association or having the general meeting resolve on the matter.

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

**Article 200** The remaining assets of the Company after payment of liquidation expenses, wages, social insurance contribution, statutory compensation, taxes and debts of the Company shall be distributed to shareholders according to the proportions of their shareholdings. The Company shall not distribute the residual assets to shareholders before the repayment according to the provisions in the preceding paragraph.

**Article 201** During the liquidation period, the Company shall continue to exist but shall not engage in any operation activities not relating to liquidation.

**Article 202** After checking the assets of the Company and preparing the balance sheet and checklist of assets, if the liquidation group discovers that the Company does not have sufficient assets to settle its debts, the liquidation group shall immediately file a bankruptcy application to the People's Court.

After the Company is declared bankrupt by the ruling of the People's Court, the liquidating group shall hand over the liquidating matters to bankruptcy administrator designated by the People's Court.

**Article 203** Upon the completion of the liquidation, the liquidation group shall prepare a liquidation report, report it to the general meeting or the People's Court for confirmation and submit it to the company registration authority to apply for deregistration of the Company.

**Article 204** Members of the liquidation group shall fulfill their obligations of liquidation and owe the duty of loyalty and the duty of due diligence.

Members of the liquidation group shall not take advantage of its powers to receive any bribes or other illegal income and shall not embezzle any property of the Company.

Members of the liquidation group who neglect their obligations of liquidation and cause losses to the Company shall be liable for compensation. Members of the liquidation group shall be liable for compensation for losses incurred to the Company or creditors of the Company due to their intentional acts or gross negligence.

**Article 205** Where the Company is declared bankrupt according to laws, the Company shall implement bankruptcy liquidation according to laws relating to bankruptcy of enterprises.

## **Chapter 11 Amendment to the Articles of Association**

**Article 206** In any of the following circumstances, the Company will amend the Articles of Association:

- (I) if upon amendments to the Company Law, laws, administrative regulations, departmental rules, regulatory documents, or listing rules of the stock exchange of the place where the shares of the Company are listed, any terms contained in the Articles of Association become inconsistent with the provisions abovementioned;
- (II) a change in the Company causes inconsistency with those contained in the Articles of Association;
- (III) a resolution being passed by the general meeting to amend the Articles of Association.

**Article 207** The amendment of the Articles of Association shall be in accordance with the following procedures:

- (I) the Board shall pass a resolution about the amendment of the Articles of Association, and formulate a proposal for amending the Articles of Association;
- (II) the Board shall convene a general meeting to vote on the proposal to amend the Articles of Association.
- (III) the general meeting adopts the amendment to the Articles of Association by special resolution;
- (IV) the Company files the amended Articles of Association with the competent market supervision and management authority.

**Article 208** When the examination and approval of the competent authority is required for the amendments to the Articles of Association passed by the general meetings, such amendments shall be submitted to the competent authority for approval. When an amendment to the Articles of Association involves registration, the Company shall also complete the registration of the amendment according to laws.

**Article 209** The Board shall amend the Articles of Association according to the resolution of the general meeting on the amendment of the Articles of Association and the examination and approval opinions of the competent authority.

**Article 210** When the amendment to the Articles of Association contains information required to be disclosed by relevant laws and administrative regulations, the Company shall issue an announcement accordingly.

## **Chapter 12 Supplementary Articles**

**Article 211** The Board may formulate supplementary articles of the Articles of Association according to the provisions of the Articles of Association, provided that such supplementary articles shall not be in violation of the Articles of Association.

**Article 212** The Articles of Association are written in Chinese. In case of any inconsistency among the Articles of Association in any other languages or of different versions, the latest Chinese version of the Articles of Association approved by and registered with the market supervision and regulatory authority shall prevail.

**Article 213** The terms “above”, “within”, and “not exceed” as stated in the Articles of Association shall all include the given figure, and the terms “more”, “exceed”, “beyond”, “lower” and “more” shall all exclude the given figures.

The term “controlling shareholder” in the Articles of Association shall refer to shareholders who hold more than 50% of the Company’s total share capital; shareholders who hold less than 50% of the Company’s shares but have voting rights that are sufficient to exercise significant control over the resolutions of the general meeting; or a controlling shareholder as defined by the Hong Kong Listing Rules.

The term “actual controller” in the Articles of Association shall refer to a natural person, legal person or other entities who exercises actual control over the Company individually or jointly and directly or indirectly through shares, voting rights, trust, agreement or other arrangements.

The term “connected relationship” in the Articles of Association shall refer to the relationship between Company’s controlling shareholders, actual controllers, directors, supervisors, senior management and the companies they directly or indirectly control, as well as other relationship which may result in the transfer of the Company’s interests. However, state-controlled enterprises shall not be deemed as having connected relationship with each other solely on the basis of being state-controlled. The term “connected relationship” in the Articles of Association includes the connected relationship as defined in the Hong Kong Listing Rules.

The term “connected transaction” in the Articles of Association shall include the connected transaction as defined in the Hong Kong Listing Rules.

**Article 214** Where the Articles of Association is inconsistent with the Hong Kong Listing Rules, laws, regulations and regulatory documents in effect from time to time, the Hong Kong Listing Rules, laws, regulations and regulatory documents shall prevail.

**Article 215** The Board shall be responsible for the interpretation of the Articles of Association.

**Article 216** Appendixes to the Articles of Association include the rules of procedure of the general meeting, the rules of procedure of the Board and the rules of procedure of the Board of Supervisors. Where the rules of procedure of the general meeting, the rules of procedure of the Board or the rules of procedure of the Board of Supervisors conflicts with the Articles of Association, the Articles of Association shall prevail.

**Article 217** The Articles of Association shall take effect from the date of the resolution of the general meeting.

(Below is intentionally left blank)