

**ARTICLES OF ASSOCIATION**

**OF**

**CCID CONSULTING COMPANY LIMITED**

**(Approved by the resolution of the extraordinary general meeting,  
domestic share class meeting and H share class meeting on 18 December 2025)**

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# **ARTICLES OF ASSOCIATION OF CCID CONSULTING COMPANY LIMITED**

## **CHAPTER 1 GENERAL PROVISIONS**

### **Article 1**

CCID Consulting Company Limited (hereinafter referred to as the “Company”) is a joint-stock limited company established in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises (CSRC Announcement [2023] No. 43), the Guidelines for Articles of Association of Listed Companies (CSRC Announcement [2025] No. 6), the Measures for the Administration of Independent Directors of Listed Companies (CSRC Order No. 220), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Main Board) (hereinafter referred to as the “Listing Rules”), and other relevant laws and administrative regulations of the People’s Republic of China.

The Company was established by way of promotion with the approval of the State Economic and Trade Commission (Document No. [2002]115). It was registered with the Beijing Administration for Industry and Commerce on 15 March 2002, and obtained its business license. The Company’s business license number is 1100001199461. On 26 October 2015, the Company renewed its business license with a unified social credit code at the Beijing Administration for Industry and Commerce. The unified social credit code is 91110000722619729C.

The founders of the Company are the former Research Centre of Computer and Microelectronics Industry Development under the Ministry of Information Industry (current name: China Software Testing Center (Research Center of Ministry of Industry and Information Technology Software and Integrated Circuit Promotion)), Beijing CCID Riyue Investment Company Limited, Deng Zhicheng, Xu Mutu, Lu Shan, Yang Tianxing and Luo Wen.

Upon approval by The Stock Exchange of Hong Kong Limited, Overseas Listed Foreign Shares issued by the Company in Hong Kong, being H Shares, were transferred from the GEM to the Main Board on 14 May 2021.

## **Article 2**

Registered Chinese name of the Company : CCID Consulting Company Limited  
Abbreviation : CCID Consulting  
English name of the Company : CCID Consulting Company Limited  
Abbreviation : CCID Consulting

## **Article 3**

Company address : Room 311, No. 2 Building, No. 28 Zhen Xing Road, Chang Ping District, Beijing  
Postal code : 102200  
Telephone No. : (010) 88559008  
Fax No. : (010) 88559009

## **Article 4**

The Company's legal representative is the Chairman of the Board of Directors of the Company.

## **Article 5**

The Company is a joint stock limited company which has perpetual existence.

## **Article 6**

The Company formulated the current Articles of Association (the "Articles of Association") in accordance with Company Law, the Securities Law, the Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises, the Guidelines for Articles of Association of Listed Companies, the Measures for the Administration of Independent Directors of Listed Companies, and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Main Board) and other laws, administrative regulations and related rules.

These Articles of Association shall take effect upon the passing of special resolutions at a general meeting and the class meetings of the Company. After these Articles of Association come into effect, the original Articles of Association shall be superseded by these Articles of Association.

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

In accordance with the requirements of the Constitution of the Communist Party of China (《中國共產黨章程》), the Company shall establish a Communist Party of China organization to carry out the activities of the Party, set up a working organ for the Party, allocate sufficient staff to deal with Party affairs and guarantee sufficient funds to operate the Party organization. Major business management matters must be studied and discussed in advance by the Party organization before the board of directors and other relevant departments make decisions in accordance with their powers and prescribed procedures.

#### **Article 7**

The Articles of Association are binding on the Company and its shareholders, Directors, Supervisors, General Manager and other senior management personnel, all of whom may, according to the Articles of Association, assert rights in respect of the affairs of the Company.

A shareholder may take action against the Company pursuant to the Articles of Association, and the Company may take action against the shareholders, Director, General Manager and other senior management personnel pursuant to the Articles of Association. A shareholder may also take action against another shareholder, the Directors, Supervisors, General Manager and other senior management personnel of the Company pursuant to the Articles of Association.

The actions referred to in the preceding paragraph include court proceedings and arbitration proceedings.

The senior management personnel referred to in this Articles of Association include the vice general manager, the secretary of the Board and the financial officer of the Company.

#### **Article 8**

All the assets of the Company are divided into equal shares, and the shareholders are liable to the Company to the extent of the shares subscribed by them, and the Company is liable for its debts to the extent of all of its assets.

The Company may invest in other limited liability companies and joint stock limited companies, and its liabilities therefor shall be limited to the amount of the capital invested.

### **CHAPTER 2 BUSINESS OBJECTIVES AND SCOPE OF BUSINESS**

#### **Article 9**

The business objectives of the Company are: to maximize the benefits of shareholders and promote the sustained and healthy development of the information industry in accordance with national laws, administrative regulations and other related rules.

## **Article 10**

The business scope of the Company shall be in accordance with the items approved by the registration authority with which the Company is registered.

The business scope of the Company includes: computer system service, data processing, basic software service, application software service; corporate governance, investment and assets management, market research, economic information consultation; convention service, undertaking exhibition and demonstration activities; technology development, technology consultation, computer technology training and technology intermediary service.

According to the needs of business management, the Company may amend the Articles of Association and the business scope in accordance with the relevant provisions. However, the amendment shall be registered. As to projects within the business scope of the Company which have to be approved under the laws and administrative rules and regulations, they shall be approved according to the law.

The operating period of the Company is long-term.

## **CHAPTER 3 SHARES AND REGISTERED CAPITAL**

### **Article 11**

There must be ordinary shares in the Company, which include “Domestic Shares” and “Foreign Shares”. The Company may, according to its requirements, create different classes of shares, but it must be subject to the filing and approval procedures (if necessary) with the securities regulatory authority under the State Council. MP 11

### **Article 12**

The shares issued by the Company shall each have a par value of RMB0.1.

### **Article 13**

Subject to the registration or filing with the securities regulatory authorities of the State Council, the Company may issue shares to Domestic Investors and Foreign Investors.

“Foreign Investors” mean those investors who subscribe for the Company’s shares and who are located in foreign countries and Hong Kong Special Administration Region, Macao Special Administration Region and Taiwan province. “Domestic Investors” mean those investors who subscribe for the Company’s shares and who are located within the territory of the PRC (except the areas referred to above).

#### **Article 14**

Shares which the Company issues to Investors for subscription in RMB are called “Domestic Shares”; shares which the Company issues to Investors for subscription in foreign currencies are called “Foreign Shares”. Foreign Shares which are listed overseas are called “Overseas Listed Foreign Shares”. The shareholders of “Domestic Shares” and the shareholders of “Overseas Listed Foreign Shares” shall be shareholders of ordinary shares, possessing the same rights and obligations.

“Foreign currencies” means the legal currencies of countries or districts outside the PRC which are recognised by the foreign exchange authority of the State and which can be used to pay the share price to the Company.

#### **Article 15**

As examined and approved by the authorised department of the State Council, the Company issued total share capital of 51,000,000 ordinary shares, which represents 100% of the ordinary shares issued by the Company to its founders when it was first established. Of these, 40,800,000 shares (80% of the aggregate number of shares) are owned by the former Research Centre of Computer and Microelectronics Industry Development under the Ministry of Information Industry (current name: China Software Testing Center (Research Center of Ministry of Industry and Information Technology Software and Integrated Circuit Promotion)), 9,690,000 shares (19% of the aggregate number) are owned by Beijing CCID Riyue Investment Company Limited, 102,000 shares (0.2% of the aggregate number) are owned by Deng Zhicheng, 102,000 shares (0.2% of the aggregate number) are owned by Xu Mutu, 102,000 shares (0.2% of the aggregate number) are owned by Yang Tianxing, 102,000 shares (0.2% of the aggregate number) are owned by Luo Wen and 102,000 shares (0.2% of the aggregate number) are owned by Lu Shan respectively.

The Company increased its capital for the first time after the founding of the Company with the issuance of 190,000,000 ordinary shares of overseas listed foreign shares, and after exercising the Over-allotment Option, no more than 28,500,000 of Overseas Listed Foreign Shares were issued. The Domestic Shares held by the Company’s state-owned shareholders of the former Research Centre of Computer and Microelectronics Industry Development under the Ministry of Information Industry (current name: China Software Testing Center (Research Center of Ministry of Industry and Information Technology Software and Integrated Circuit Promotion)) and Beijing CCID Riyue Investment Company Limited were converted into Overseas Listed Foreign Shares, which were not more than 19,000,000 shares, and the number of shares after exercising the Over- allotment Option did not exceed 2,850,000 shares.

#### **Article 16**

Pursuant to the relevant approval (Cai Han [2022] No.22) issued by Ministry of Industry and Information Technology, China Software Testing Center (Research Center of Ministry of Industry and Information Technology Software and Integrated Circuit Promotion) transferred its holding of 392,610,000 Shares of the Company to CCID Academy for Industry and Information Technology Limited at nil consideration.

Upon completion of the above transfer, the share capital structure of the Company is 700,000,000 ordinary shares, among which 491,000,000 shares are Domestic Shares (approximately 70.143% of the aggregate number of ordinary shares issued by the Company), 392,610,000 shares are owned by CCID Academy for Industry and Information Technology Limited, 98,390,000 shares are owned by Beijing CCID Riyue Investment Company Limited respectively, and 209,000,000 shares are Overseas Listed Foreign Shares, which represent approximately 29.857% of the entire ordinary shares issued by the Company.

#### **Article 17**

The registered capital of the Company amounts to RMB70,000,000.

#### **Article 18**

The Company may, based on its operation and development needs, authorise the increase of its capital pursuant to the Articles of Association. The Company may increase its capital in the following ways:

- (1) by offering new shares for subscription by unspecified investors;
- (2) by placing new shares to its existing shareholders;
- (3) by allotting bonus shares to its existing shareholders;
- (4) by issuing new shares to specially-designated investors;
- (5) by converting capital reserves into share capital; and
- (6) by any other means which is permitted by laws and administrative regulations.

After the Company's increase of share capital by means of the issuance of new shares has been approved in accordance with the provisions of the Articles of Association, the issuance thereof should be made in accordance with the procedures set out in the relevant laws and administrative regulations of the State.

#### **Article 19**

According to the regulations of the securities regulatory authority under the State Council, the domestic shareholders of the Company may transfer all or part of their shares to overseas investors, subject to approval by an overseas stock exchange for listing and trading overseas; all or part of the domestic shares may be converted into overseas listed shares available for trading on an overseas stock exchange. The listing and trading of the said shares on an overseas stock exchange shall also comply with the regulatory procedures, rules, and requirements of the overseas securities market. No shareholder meeting is required to approve the conversion and/or transfer of such shares and their listing and trading on an overseas stock exchange.

#### **Article 20**

The shares of the Company shall be transferred in accordance with the law. Transfer of overseas-listed shares listed in Hong Kong requires registration by the share registrar in Hong Kong appointed by the Company.

### **CHAPTER 4 REDUCTION OF CAPITAL AND REPURCHASE OF SHARES**

#### **Article 21**

According to the provisions of the Articles of Association, the Company may reduce its registered capital.

#### **Article 22**

The Company must prepare a balance sheet and an inventory of assets when it reduces its registered capital.

The Company shall notify its creditors within ten (10) days of the date of the Company's resolution for reduction of capital and shall publish an announcement at least three (3) times in the newspapers or the National Enterprise Credit Information Publicity System within thirty (30) days of the date of such resolution. A creditor has the right within thirty (30) days of receipt of the notice from the Company or, in the case of a creditor who does not receive such notice, within forty-five (45) days of the date of the first announcement, to require the Company to repay its debts or to provide a corresponding guarantee for such debt.

The Company's registered capital may not, after the reduction in capital, be less than the minimum amount prescribed by law.

#### **Article 23**

The Company may, in accordance with the procedures set out in the Articles of Association and pursuant to the requirements of the laws, administrative regulations, departmental rules, listing rules of the stock exchange in which Company's shares are listed and the Articles of Association, repurchase its shares under the following circumstances:

- (1) cancellation of shares for the purposes of reducing its capital;
- (2) merging with another company that holds shares in the Company;
- (3) awarding shares for employee stock ownership plan or share incentive plan;
- (4) acquiring shares held by Shareholders, who vote against any resolution proposed in any general meeting on the merger or division of the Company, upon their request;
- (5) using shares to convert into corporate bonds which are convertible into shares that issued by Company;

- (6) protecting the Company value and Shareholders' equity when necessary; and
- (7) other circumstances permitted by laws and administrative regulations.

#### **Article 24**

The Company may acquire its own shares through centralized trading on a public exchange or by other means approved by laws, regulations, and the securities regulatory authorities and stock exchanges where the Company's shares are listed.

#### **Article 25**

Repurchase by the Company of its own shares due to the reasons specified in item (1) to (2) of Article 23 hereof shall be subject to the resolution by the general meeting. Repurchase by the Company of its own shares due to the reasons specified in item (3), (5) or (6) of Article 23 hereof shall be subject to the resolution by a Board meeting attended by more than two-thirds of the Directors.

Repurchase by the Company of its own shares due to the reasons specified in item (3), (5) or (6) of Article 23 hereof shall be carried out through open and centralized transactions.

#### **Article 26**

After acquiring its own shares in accordance with Article 23 of the Company's Articles of Association, if the acquisition falls under item (1), the shares shall be cancelled within ten (10) days from the date of acquisition; if the acquisition falls under Items (2) or (4), the shares shall be transferred or cancelled within six (6) months; if the acquisition falls under Items (3), (5), or (6), the total number of shares held by the Company shall not exceed 10% of the total number of issued shares of the Company, and the shares shall be transferred or cancelled within three (3) years.

The repurchase of foreign shares listed overseas by the Company shall comply with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant regulatory requirements of the listing place.

### **CHAPTER 5 SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS**

#### **Article 27**

Share certificates of the Company shall be in registered form.

Share certificates of the Company shall bear items including other matters as required by the Company Law, Special Regulations Law and the stock exchange on which the shares of the Company are listed.

### **Article 28**

The Company shall establish a register of shareholders based on the vouchers provided by securities registries. The register of shareholders shall be sufficient evidence of the shareholders' shares in the Company.

### **Article 29**

The Company may, in accordance with the mutual understanding and agreements made between the securities regulatory authorities of the State Council and overseas securities regulatory organisations, maintain the register of shareholders of Overseas Listed Foreign Shares overseas and appoint overseas agents to manage such register of shareholders. Such original register of shareholders of Overseas Listed Foreign Shares listed in Hong Kong shall be kept in Hong Kong.

A duplicate register of shareholders for the holders of Overseas Listed Foreign Shares shall be maintained at the Company's residence. The appointed overseas agents shall ensure consistency between the original and the duplicate register of shareholders at all times.

If there is any inconsistency between the original and the duplicate register of shareholders for the holders of Overseas Listed Foreign Shares, the original register of shareholders shall prevail.

### **Article 30**

The Directors, Supervisors and senior management personnel of the Company shall report to the Company their number of shares held in the Company and the subsequent changes in their shareholdings. The number of shares that such persons may transfer every year during their terms of office shall not exceed 25% of the total number of the Company's shares held by them. Such personnel shall not transfer the Company's shares held by them within half a year after they terminate their employment with the Company.

### **Article 31**

Where the PRC laws, administrative regulations, departmental rules, regulatory documents and securities regulatory agencies where the Company's shares are listed contain provisions which stipulate on the period of closure of the register of shareholders prior to a general meeting or on the reference date set by the Company for the purpose of distribution of dividends, such provisions shall prevail.

### **Article 32**

When the Company needs to convene a general meeting for the purposes of dividend distribution, liquidation or any other purposes which need to determine the identity of the shareholders, the Board of Directors or the convener of the general meeting shall determine a record date for the determination of shareholdings. Shareholders whose names appear in the register of shareholders at the end of the shareholdings record date are shareholders of the Company entitled to relevant rights and interests.

## CHAPTER 6 SHAREHOLDERS' RIGHTS AND OBLIGATIONS

### Article 33

A shareholder of the Company is a person who lawfully holds shares in the Company and whose name (title) is entered in the register of shareholders.

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A shareholder shall enjoy rights and assume obligations according to the class and number of shares held by him; shareholders who hold shares of the same class shall enjoy the same rights and assume the same obligations.

When a legal person or unincorporated organization acts as a shareholder of the Company, its rights should be exercised on its behalf by its legal representative or the agent of the legal representative (if the shareholder is an authorized clearing house or its agent).

If the shareholder is an authorized clearing house (or its agent), the shareholder may appoint a representative or company representative to attend the general meeting or creditors' meeting, and such representative shall have the same statutory rights as other shareholders, including the right to speak and vote.

For the joint shareholders, if one of the joint shareholders has passed away, the surviving shareholders shall be deemed by the Company to have the ownership of the related shares, but the Board of Directors is entitled to ask for the provision of the suitable death certificate for the purpose of revision of the shareholders' register. For joint shareholders, only the shareholder named first in the shareholders' register has the right to receive the share certificates of the related shares, receive the notice of the Company, attend the Company's general meeting and exercise his voting right; while, any notice delivered to the said shareholder shall be deemed as if the notice has been delivered to all of the joint shareholder of the related shares.

### Article 34

The shareholders of ordinary shares of the Company shall enjoy the following rights:

- (1) the right to receive dividends and other distributions in proportion to their shareholdings;
- (2) the right to request, convene, preside, attend or appoint a proxy to attend general meetings and to exercise voting rights;
- (3) the right to supervise the Company's business operations, the right to present proposals or raise queries;
- (4) the right to transfer, send as gift or pledge shares held by them in accordance with laws, administrative regulations and provisions of the Articles of Association;

- (5) the right to review and copy the Company's articles of association, register of shareholders, minutes of general meetings, resolutions of Board meetings and financial accounting reports. Shareholders who have individually or collectively held more than 3% of the Company's shares for more than 180 consecutive days has the right to inspect the Company's accounting books and accounting vouchers;
- (6) in the event of the termination or liquidation of the Company, the right to participate in the distribution of remaining assets of the Company in accordance with the number of shares held;
- (7) shareholders who object to the resolutions passed at the general meeting regarding the merger or division of the Company has the right request the Company to acquire their shares; and
- (8) other rights conferred by laws, administrative regulations and the Articles of Association.

#### **Article 35**

Shareholders who request inspection or copy of any relevant materials of the Company shall comply with the provisions of the Company Law, the Securities Law, and other laws, administrative regulations and the requirements of the stock exchange where the Company is listed. Shareholders who request inspection of the Company's accounting books and vouchers shall submit a written request to the Company, stating their purpose. If the Company has reasonable grounds to believe that a shareholder's inspection of the accounting books and vouchers has an improper purpose and may harm the Company's legitimate interests, it may refuse to allow inspection and shall provide a written reply to the shareholder within fifteen (15) days from the date of the shareholder's written request, explaining the reasons. If the Company refuses to allow inspection, the shareholder may file a lawsuit to the People's Court. Shareholders may entrust accounting firms, law firms or other intermediary institutions to inspect the materials stipulated in the preceding paragraph. Shareholders and their entrusted accounting firms, law firms or other intermediary institutions shall comply with the provisions of laws and administrative regulations concerning the protection of state secrets, trade secrets, personal privacy and personal information when inspecting and copying the relevant materials.

#### **Article 36**

The shareholders of ordinary shares of the Company shall assume the following obligations:

- (1) to comply with the laws, administrative regulations and this Articles of Association;
- (2) to pay subscription money according to the number of shares subscribed and the method of subscription;
- (3) not to withdraw its share capital unless required by laws and regulations;

- (4) not to abuse their shareholders' rights to damage the interests of the Company or other shareholders; not to abuse the independent legal person status of the Company and the limited liability of shareholders to damage the interests of the creditors of the Company;
- (5) other obligations imposed by laws, administrative regulations and the Articles of Association.

Where any shareholder of the Company abuses the shareholders' rights and incurs losses to the Company or other shareholders, such shareholder shall bear the liability for compensation in accordance with the laws; where shareholders of the Company abuse the Company's status as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of 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.

## **CHAPTER 7 GENERAL MEETINGS**

### **Article 37**

The general meeting is the organ of authority of the Company and shall exercise its functions and powers in accordance with laws.

### **Article 38**

The general meeting shall exercise the following functions and powers:

- (1) to elect and replace the Directors and supervisors who are not employee representatives and to decide on matters concerning the emolument of the Directors and supervisors;
- (2) to consider and approve reports of the Board of Directors and the Board of Supervisors;
- (3) to consider and approve the Company's profit distribution proposals and proposals for making up losses;
- (4) to resolve on the increase or reduction of the Company's registered capital;
- (5) to resolve on matters such as merger, division, dissolution and liquidation or change of company form of the Company;
- (6) to resolve on the issuance of debentures by the Company;
- (7) to resolve on the appointment, removal or non-renewal of the services of an accounting firm responsible for auditing affairs of the Company;
- (8) to amend the Articles of Association;

- (9) to consider and approve share incentive scheme and employee share ownership scheme;
- (10) to consider proposals submitted by shareholders representing, individually or collectively, more than one per cent. (including one per cent) of voting shares of the Company;
- (11) to consider the Company's purchase or disposal of major assets within one year with the guarantee amount reaching or exceeding twenty five per cent of the latest audited total assets of the Company; and
- (12) other matters which are required by laws, administrative regulations, the departmental rules, the requirements of the stock exchange where the Company's shares are listed and the Articles of Association to be resolved by the general meeting.

Subject to compliance with laws, administrative regulations, departmental rules, and the listing rules of the stock exchange where the Company's shares are listed, the general meeting may authorize or entrust the Board of Directors to handle matters authorized or entrusted.

#### **Article 39**

Except in special circumstances such as when the company is in crisis, the Company shall not enter into any contract with any person other than a Director, Supervisor, General Manager or other senior management personnel of the Company whereby the management and administration of the whole or any substantial part of any business of the Company is to be handed over to such a person without the prior approval of shareholders in a general meeting.

#### **Article 40**

General meetings can be annual general meetings or extraordinary general meetings. General meeting shall be convened once per year by the Board of Directors, and shall take place within six (6) months of the end of the previous accounting year.

The Board of Directors shall convene an extraordinary general meeting within two (2) months after the occurrence of any one of the following circumstances:

- (1) where the number of Directors is less than the number stipulated in the Company Law or is no more than two-thirds of the number required by the Articles of Association;
- (2) where the accrued losses of the Company amount to one-third of its total share capital;
- (3) where shareholders individually or collectively, holding more than ten (10) per cent. (including ten per cent) of the Company's issued shares carrying the right to vote make a request in writing to convene an extraordinary general meeting;
- (4) where the Board of Directors considers it necessary or the Board of Supervisors proposes to call for such a meeting;

- (5) other circumstances as stipulated by laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the Company's shares are listed, or the Articles of Association.

The number of shares held by the shareholder mentioned in item (3) above shall be calculated on the date on which the shareholder submits a written request.

#### **Article 41**

When the Company convenes an annual general meeting, a notice to notify shareholders must be given twenty-one (21) days before the meeting; when the Company convenes an extraordinary general meeting, a notice to notify shareholders must be given fifteen (15) days before the meeting. Such notice to all registered shareholders shall contain the matters to be considered at the meeting as well as the date and venue of the meeting. The date of the general meeting and the date of the communication are excluded for the purpose of calculation of the above notice period.

Subject to compliance with laws and regulations of the places of incorporation and listing of the Company and the Listing Rules, the aforesaid notice of general meetings may be sent or supplied in the corporate communication manner provided under the Articles of Association by delivery in person or sending by mail or by means of electronic announcement at official website. For shareholders who intend to attend the general meetings should give a written notice to the Company within the time specified in the notice of the meeting.

To the extent permitted by regulatory rules of the stock exchange in the place where the Company's shares are listed, the Company may provide online voting method to facilitate the shareholders attending the general meeting in the virtual manner and voting in the electronic manner by leveraging technologies.

#### **Article 42**

When the Company convenes a general meeting, any shareholder holding individually or collectively more than one per cent of the total number of shares carrying voting rights is entitled to submit a written temporary proposal to the convener at least ten (10) days prior to the meeting. The temporary proposal must have a clear topic and specific resolutions. The convener shall notify the other shareholders within two (2) days upon receipt of the proposal and submit it to the general meeting for consideration; except where the temporary proposal violates laws, administrative regulations, or the Articles of Association, or falls outside the scope of the general meeting's authority. If the listing rules of the stock exchange where the company's shares are listed stipulate otherwise, those rules shall also be met.

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

### **Article 43**

A general meeting shall not decide on matters which are not specified in the notice of the general meeting.

### **Article 44**

Notice of general meetings shall comply with the following requirements:

- (1) present corporate communication: presented in person or sending by mail or by means of electronic announcement at official website or Company website;
- (2) be in specific place, date and time of the meeting;
- (3) state the motions and proposals to be discussed at the meeting;
- (4) provide such information and description as are necessary for the shareholders to exercise an informed judgment on the proposals before them. Without limiting the generality of the foregoing, where a proposal is made to amalgamate the Company with another, to repurchase the shares of the Company, to reorganise its share capital, or to restructure the Company in any other manner, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such a proposal must be properly explained;
- (5) contain a disclosure of the nature and extent, if any, of material interests of any Director, General Manager or other senior management personnel in the transaction proposed and the effect of the proposed transaction on him in his capacity as shareholder in so far as it is different from the effect on the other shareholders;
- (6) contain a specific statement that all shareholders of ordinary shares are entitled to attend and vote at the general meeting, and are entitled to appoint proxies in writing to attend and vote instead of him and that a proxy need not be a shareholder;
- (7) state the time within which and the address to which the relevant instruments appointing the proxies for the meeting are to be delivered;
- (8) state the record date for shareholders entitled to attend the general meeting;
- (9) state the permanent contact information for conference affairs;
- (10) state the voting time and procedures (if applicable) via the internet or other means.

### **Article 45**

The Company shall hold the general meeting in the address of the Company or such other place specifically notified by the convener of the general Meeting.

The general meeting will be held in a venue and, in principle, in person. The Company's Board of Directors may, under the specific circumstance, and shall, provide online, video, telephone, or other means of communication to facilitate shareholders' participation and voting at the general meeting in accordance with the laws, administrative regulations, the securities regulatory authority of the company's listing location, the Hong Kong Listing Rules, or the Articles of Association. Shareholders participating in the general meeting through the aforementioned means shall be deemed to have attended.

After the notice of general meeting is issued, the general meeting shall not be postponed or cancelled without any justified grounds and the proposals stated in the notice of the general meeting shall not be cancelled. In case of postponement or cancellation, the Company shall issue an announcement and state the reasons therein at least two (2) working days before the original date of the general meeting.

"Corporate Communication" shall mean any document issued or to be issued by the Company for the information or action of any holders of the Company's securities, including but not limited to:

Directors' report and its annual accounts together with a copy of the auditor's report thereon and, where applicable, its summary financial report;

Half-year report and, where applicable, its summary half-year report;

Notice of meeting;

Listing document;

Circular; and

Proxy form.

When served by mail, the Corporate Communication shall be put into an envelope on which the address is clearly written with prepaid postage. The Corporate Communication shall be deemed as sent when the same is deposited into a mail box, and shall be deemed as served 48 hours after it has been sent. Corporate Communication served in person shall be deemed as served on the date when the addressee signs (or stamps) the reply slip and such date shall be deemed to be the date of service.

The date when Corporate Communication is served by electronic means shall be deemed to be the date of service.

If the Corporate Communication is sent or supplied by means of the Company's own website, it shall be deemed to be served on: (1) the date on which a notification, stating that the relevant Corporate Communication has been available on the Company's own website, is sent to holders of the Company's securities pursuant to the requirements of the laws and regulations of the places of incorporation and listing of the Company and the Listing Rules; or (2) if later, the date on which the Corporate Communication first appears on the Company's own website.

Corporate Communication referred to in the preceding paragraph, should be delivered in person or sending by mail or by means of electronic announcement at official website or Company website in accordance to the requirements concerning notification term for general meeting. Upon publication of notice, all shareholders are deemed to receive notice of the general meeting.

#### **Article 46**

Upon accidental omission due to a person entitled for the notices of meetings or those who have not received any notice of meetings presented in person or sending by mail or by means of electronic announcement at official website or Company website, meetings and resolutions thereof do not void under such circumstance.

#### **Article 47**

Any shareholder entitled to attend and vote at a general meeting of the Company shall be entitled to appoint one or more persons (who need not be a shareholder or shareholders) as his proxies to attend and vote instead of him. A proxy so appointed shall enjoy the following rights pursuant to authorisation by that shareholder:

- (1) the shareholders' right to speak at the general meeting;
- (2) the right to demand or join in demanding a poll; and
- (3) the right to vote on a poll.

Where that shareholder is a Recognised Clearing House, it may authorise such person or persons as it thinks fit to act as its representative (or representatives) at any general meeting or any meeting of any class of shareholders provided that, if more than one person is so authorised, the authorisation must specify the number and class of shares in respect of which each such person is so authorised. The person so authorised will be entitled to exercise the same power on behalf of the Recognised Clearing House as that clearing house could exercise as if it were an individual shareholder of the Company.

#### **Article 48**

The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a legal person, it shall be under seal or under the hand of a Director or attorney duly authorised. The letter of authorisation shall contain the number of the shares to be represented by the attorney. If several persons are authorised as the attorney of the shareholder, the letter of authorisation shall specify the number of the shares to be represented by each attorney.

#### **Article 49**

The instrument appointing a proxy shall be deposited at the residence of the Company or at some other place specified for that purpose in the notice of meeting no later than twenty-four (24) hours prior to the meeting at which the proxy is authorised to vote or twenty-four (24) hours before the time specified for the voting. Where such an instrument is signed by a person under power of attorney on behalf of the appointor, that power of attorney or other authorisation documents shall be notarially certified. The notarially certified power of attorney and other authorisation documents shall, together with the instrument appointing the proxy, be deposited at the Company's residence or at some other place specified for that purpose in the notice of meeting.

If the appointor is a legal person, its legal representative or a person appointed by its Board of Directors or other decision-making body shall be entitled to attend a general meeting of the Company on behalf of the appointor as its proxy, and attendance or actions by the appointee at such meeting shall for the purpose of the Articles be deemed the attendance or (as the case may be) actions of the appointor.

#### **Article 50**

Any form issued to a shareholder by the Directors for use by him for appointing a proxy to attend and vote at a general meeting of the Company shall be such as to enable the shareholder, according to his intention, to instruct the proxy to vote in favor of or against each resolution dealing with business to be transacted at the meeting. Such a form should contain a statement that in default of instructions the proxy may vote as he thinks fit.

The Company is entitled to ask the proxy who represents a shareholder to attend the general meeting to provide his identification document.

In the case a legal person shareholder appoints its representative to attend the meeting, the Company is entitled to ask the representative to provide his identification document and the copy of the resolution or the power of attorney which has been notarized (other than a recognized clearing house or its agent), indicating the appointment by the Board of Directors or other power authority of the said legal person shareholder.

#### **Article 51**

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or loss of capacity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no notice in writing of such death, loss of capacity, revocation or transfer shall have been received by the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### **Article 52**

Resolutions of a general meeting can be divided to ordinary resolutions or special resolutions.

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

A special resolution of a shareholders' general meeting shall be passed by more than two-thirds of the votes of the shareholders who are present at the meeting (including proxies).

#### **Article 53**

Shareholders (including proxies) who vote at the general meeting shall exercise their voting rights in relation to the amount of voting shares they represent. Each share carries the right to one vote.

Where the Listing Rules requires any shareholder to abandon his voting on specific resolution, or restricts any shareholder to vote for or against specific resolution, any vote of the shareholder or his proxy against the relevant requirement or restriction shall not be included.

#### **Article 54**

At any general meeting, a resolution shall be decided on a show of hands, unless otherwise required by the relevant regulations by competent securities authorities of the place where the Company has its shares listed or other applicable laws and regulations, or a poll is demanded by the following persons before or after deciding on a show of hands:

- (1) by the Chairman of the meeting;
- (2) by at least two shareholders who are entitled to vote and their proxies;
- (3) by one or more shareholders (including proxies) representing ten per cent or more of shares carrying the right to vote at the meeting individually or collectively.

Unless otherwise required by the relevant regulations by competent securities authorities of the place where the Company has its shares listed or other applicable laws and regulations, or a poll is so demanded, a declaration by the chairman of the meeting that a resolution has on a show of hands been carried, the record of such in the minutes of the meeting shall be conclusive evidence of the fact that such resolution has been passed. There is no need to provide evidence of the number or proportion of votes in favour of or against such resolution.

The demand for a poll may be withdrawn by the person who demands the same.

#### **Article 55**

A poll demanded on the election of the Chairman of the meeting, or on a question of adjournment of the meeting, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs before the end of this meeting, and any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

#### **Article 56**

On a poll taken at a meeting, a shareholder (including a proxy) entitled to two or more votes need not cast all his votes in the same way.

#### **Article 57**

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

- (1) work reports of the Board of Directors and the Supervisory Committee;
- (2) profit distribution plans and loss recovery plans formulated by the Board of Directors;
- (3) appointment and removal of members of the Board of Directors and Supervisors, their emolument and manner of payment;
- (4) removal of any director before the expiration of his term of office (including managing directors or other executive directors), but the removal shall be without prejudice to the Director's claim for damages under any contract;
- (5) decision to engage, renew or terminate the engagement of the accounting firm that handles the Company's audit affairs;
- (6) issue of corporate bonds by the Company;
- (7) matters involving the Company's purchase or sale of material assets within one year or providing guarantees amounting to or exceed twenty-five per cent of the Company's latest audited total assets; and
- (8) matters other than those which are required by laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed or by the Articles of Association to be passed by special resolution.

#### **Article 58**

The following matters shall be resolved by means of special resolution of the general meeting;

- (1) increase or reduction of the Company's registered capital;
- (2) division, split, merger, dissolution and liquidation or change of company form of the Company;
- (3) matters involving the Company's purchase or sale of material assets within one year or providing guarantees amounting to or exceed thirty per cent of the Company's latest audited total assets;
- (4) repurchase of the shares of the Company because of the circumstances under items (1) and (2) as required in Article 23 of the Articles of Association;

- (5) amendment of the Articles of Association;
- (6) share incentive scheme; and
- (7) other matters which are required by laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed or by the Articles of Association to be passed by special resolution.

#### **Article 59**

Shareholders seeking to convene an extraordinary general meeting shall proceed in accordance with the following procedure:

Shareholders who hold, individually or collectively, ten per cent or more of the shares in the Company shall request in writing the Board of Directors to hold an extraordinary general meeting. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, give a written response on whether or not it agrees to call such an extraordinary general meeting within ten (10) days after receiving the proposal from the abovementioned shareholders to call such meeting.

If the Board of Directors agrees to hold an extraordinary general meeting, it shall issue a notice calling such meeting within five (5) days after it has so resolved. The consent of the relevant shareholders shall be secured if any change is to be made in the notice to the original request.

If the Board of Directors disagrees to hold an extraordinary general meeting or fails to give a response within ten (10) days after receipt of the proposal, the Shareholders who hold, individually or collectively, ten per cent of the shares of the Company may propose in writing to the Supervisory Committee to hold an extraordinary general meeting.

If the Supervisory Committee agrees to hold an extraordinary general meeting, it will issue a notice calling such meeting within five (5) days after receipt of the proposal. The consent of the relevant shareholders shall be secured if any change is to be made in the notice to the original requirement.

If the Supervisory Committee fails to issue the notice calling such meeting within the period specified hereinabove, it shall be deemed to have failed to convene and preside over such meeting. The shareholders holding, individually or collectively, ten per cent of the shares in the Company for ninety (90) days or more consecutively may convene and preside over such meeting.

If the Supervisory Committee or the shareholders decide to convene the extraordinary general meeting on their own, they must notify the Board of Directors in writing and file a record with the stock exchange (if applicable).

The Supervisory Committee or the shareholders convening the meeting shall submit relevant supporting documents (if applicable) to the stock exchange when issuing the notice of the meeting and the announcement of the resolutions of the meeting.

Before the announcement of the resolutions of the meeting, the shareholding ratio of the shareholders convening the meeting shall not be less than ten per cent.

For meetings convened by the Supervisory Committee or by the shareholders on their own, the Board of Directors and the secretary to the Board shall cooperate. The Board of Directors shall provide a register of shareholders as of the record date.

If the Supervisory Committee or shareholders convene and hold a meeting on their own because the Board of Directors failed to hold a meeting as required by the aforementioned requirements, the Company shall bear the necessary expenses for the meeting.

#### **Article 60**

A general meeting shall be convened by the Chairman of the Board of Directors who shall preside as chairman of the meeting. If the Chairman is unable to attend the meeting or fails to perform his/her duties for any reason, the Deputy Chairman of the Board of Directors shall convene and take the chair of the meeting. If both the Chairman and Deputy Chairman of the Board of Directors are unable to attend the meeting or fails to perform his/her duties, then a Director shall be jointly elected by more than half of the Directors to act as the chairman of the meeting.

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

A general meeting convened by shareholders on their own shall be presided over by a representative elected by the convenors.

When a general meeting is held, if the chairman of the meeting violates the rules of procedure and makes it impossible for the general meeting to continue, the general meeting may, with the consent of more than half of the voting rights of the shareholders present in person at the meeting, elect a person to act as the chairman of the meeting and continue the meeting.

The convenor shall ensure the continuous conduct of the general meeting until final resolutions are adopted. Should the meeting be suspended or become unable to pass resolutions due to force majeure or other exceptional circumstances, necessary measures shall be taken to either resume the meeting as soon as possible or directly terminate the current general meeting, with prompt public disclosure. Simultaneously, the convenor shall report to the competent authorities such as the stock exchange.

### **Article 61**

Where the Chairman of a general meeting has doubt about the results of the resolution tabled for voting, he may count the number of votes cast. If no counting is made by the Chairman of the meeting, any shareholder or the proxy who queries the results as announced by the Chairman shall have the right to immediately demand a counting of the votes. The Chairman shall conduct a counting of the votes in real time as demanded.

### **Article 62**

Where a counting of the votes has been conducted at a general meeting, the results shall be recorded in the minutes.

These minutes and the signed attendance record of those shareholders attending the meeting and the powers of attorney of those attending by proxy shall be kept at the Company's residence.

### **Article 63**

Copies of the minutes shall be available to inspection during office hours of the Company to any shareholders without charge. If a shareholder demands from the Company a copy of such minutes hereof, the Company shall send a copy to him or her within seven (7) days upon receiving such demand and the shareholder shall be responsible for reasonable charges as may be imposed.

## **CHAPTER 8 BOARD OF DIRECTORS**

### **Article 64**

The Company shall establish a Board of Directors comprising 5 directors, of which over half shall be external directors (herein meaning those directors who do not hold office in the Company) and at least three of the directors shall be independent (non-executive) Directors (herein meaning those directors who are independent to the shareholders, do not hold office in the Company and comply with the requirements of the Listing Rules regarding being independent non-executive Directors), of which at least one Independent(non-executive) Director shall have the appropriate professional qualifications required by the Listing Rules or the appropriate accounting or related financial management expertise.

One of the Directors of the Board shall be the Chairman.

## Article 65

Directors shall serve a term of three years. The directors may, after the expiry of their term of office, hold a consecutive term upon re-election, but the term of office of the independent non-executive Directors shall not exceed nine (9) years. The Chairman and Deputy Chairman of the Board of Directors is elected and removed by a majority of all the Directors. The Chairman and Deputy Chairman of the Board of Directors shall be appointed for a term of three (3) years, and may serve consecutive terms if re-elected.

The term of office for directors shall commence from the date of their appointment and end upon the expiration of the current term of the Board of Directors. If a director's term expires and a new director is not elected in a timely manner, the original director shall continue to perform his/her duties in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association until the newly elected director assumes office.

A director may resign before the expiration of his term. A director shall submit a written resignation report to the Board of Directors. The Board of Directors shall disclose the relevant information within two (2) days. If the resignation of a director results in the number of directors on the Board falling below the statutory minimum, the former director shall continue to perform his/her duties in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association until the newly elected director assumes office. Except as provided above, a director's resignation shall take effect upon delivery of the resignation report to the Board of Directors.

Directors whose terms of office have not yet expired shall be liable for compensation for any losses caused to the company due to their unauthorized departure.

Subject to the relevant laws and administrative regulations, the general meeting may remove any Director by ordinary resolution prior to the expiration of such Directors' term of service, but without prejudice to any claim for damages that may be made under any contract.

If a director fails to attend two consecutive board meetings in person or appoint another director to attend on their behalf, it shall be deemed that the director is unable to perform his or her duties, and the board of directors may recommend removal of his/her position at the general meeting.

External directors shall have sufficient time and requisite expertise to perform their duties. The Company shall provide the necessary information to enable the external directors to perform their duties. Independent (non-executive) Directors may report directly to the general meetings, securities regulatory authorities of the State Council and other relevant departments.

Directors are not required to hold shares in the Company.

## Article 66

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

- (1) to be responsible for convening general meetings and to report on its work to the general meeting;
- (2) to implement resolutions of the general meeting;
- (3) to decide on the Company's business plans, operation plans, investment plans and investment proposals;
- (4) to formulate the Company's annual financial budget and final accounts;
- (5) to formulate the Company's profit distribution proposals and proposals for making up losses;
- (6) to formulate proposals for the increase or reduction of the registered capital of the Company and proposals for the issuance of shares, corporate bonds or other securities and listing of the Company;
- (7) to draft proposals for the merger, division or dissolution or change of company form of the Company;
- (8) to decide on the establishment of the Company's internal management organization and branch offices;
- (9) to appoint or remove the Company's General Manager and secretary to the Board, and to appoint or remove the Deputy General Manager (or Deputy General Managers) and other senior management personnel (including the financial officers) based on the recommendations of the General Manager, and to decide on their emolument;
- (10) to formulate the Company's basic management system;
- (11) to formulate proposals for any amendment of the Articles of Association;
- (12) decide issue of new shares upon authorization from the general meeting;
- (13) to propose appointment or change of accounting firm responsible for the audit affairs of the Company;
- (14) to formulate proposal for the Company to repurchase its shares under the circumstances stipulated in item (1) and (2) under Article 23 of the Articles of Association; and, in accordance with the Articles of Association or the authorization of the general meeting, to decide on the repurchase of the Company's shares under the circumstances stipulated in item (3), (5), and (6) under Article 23 of the Articles of Association;

- (15) except for matters that, as required by relevant laws, regulations, and the Articles of Association, must be decided by resolutions at the general meeting, to decide on other company affairs and administrative matters, and sign significant agreements; and
- (16) to be responsible for other functions and powers granted by laws, regulations, the listing rules of the stock exchange where the company's shares are listed, the Articles of Association or the general meeting.

For matters that the Board of Directors resolves in the preceding paragraph, except for items 6, 7, 11, 12 and 14 which require a two-thirds majority vote of the Directors, the remaining items may be approved by a majority vote of the Directors.

#### **Article 67**

The Chairman of the Board of Directors shall exercise the following functions and powers:

- (1) to preside over general meetings and convene and preside over Board meetings;
- (2) to review on the implementation of resolutions passed by the Board of Directors;
- (3) to sign the securities certificates issued by the Company;
- (4) to sign important documents of the Board of Directors and other documents that are required to be signed by the legal representative of the Company;
- (5) to propose list of company general manager and board secretary;
- (6) in cases of an emergency of force majeure such as catastrophic natural disasters, to exercise special powers to deal with the Company's affairs in compliance with the law and the interests of the Company, and report to the Board of Directors and the general meeting of the Company afterwards;
- (7) to exercise other functions and powers granted by the Board of Directors.

Where the chairman is unable or fail to perform his/her duties, the vice chairman shall perform his/her duties; if the vice chairman is unable or fail to perform his/her duties, a director shall be jointly elected by more than half of the directors to perform the duties.

#### **Article 68**

The Board of Directors shall hold at least four regular meetings each year. The Board meetings shall be convened by the Chairman.

Extraordinary board meetings may be convened under one of the following circumstances:

- (1) jointly demanded by more than one-third of the directors;
- (2) demanded by the shareholders representing more than one-tenth of the voting rights;

(3) proposed by the Supervisory Committee.

The chairman of the Board of Directors shall convene and preside over a board meeting within ten (10) days upon receipt of any demand.

#### **Article 69**

A notice concerning the convening of board meetings or extraordinary board meetings can be given in person, by means of fax, express courier, by email, and electronic announcement through the official website or Company website.

#### **Article 70**

All Directors should be notified of a regular Board meeting fourteen (14) days before the meeting, and for extraordinary Board meetings, the requirement on the notice period is not applicable, but a reasonable notice should be served to all directors and the general managers.

#### **Article 71**

All the Executive Directors and external directors shall be notified the important matters that must be resolved by the Board of Directors within the period stipulated in Article 71, and be provided sufficient information at the same time. Such important matters shall be implemented in strict compliance with the required procedures. The Directors may request for supplementary information.

The Directors may request for supplementary information. Upon more than one-fourth of the Directors or more than two external directors consider that the information provided is not sufficient or the demonstration is not clear, they may jointly propose to postpone the consideration of certain matters of the agenda of the Board meeting, and the Board of Directors shall accept such proposal.

Notice of a meeting shall be deemed to be served to any Directors who attend the meeting without protesting against any lack of notice before or at its commencement.

Any meeting of the Board of Directors may be held by telephone conferencing or similar communication equipment. As long as all Directors participating in the meeting can hear and communicate clearly with each other, all such Directors shall be deemed to be present in person at the meeting.

#### **Article 72**

Board meeting shall be held only upon more than half of the members of Board of Directors (including proxies) are present. Each Director has one vote.

Unless otherwise required by the Articles of Association, the Board may pass resolutions only upon a majority vote.

If a director has a conflict of interest with a matter to be resolved at a board meeting, that director should avoid attending the meeting and have no voting rights, nor may they act as a proxy for other directors in exercising their voting rights; furthermore, that director will not be counted when calculating the quorum of board members present at the meeting. Resolutions at board meetings require a majority vote of directors with no conflict of interest. If fewer than three directors with no conflict of interest are present at the meeting, the matter should be submitted to the general meeting for consideration.

#### **Article 73**

Directors shall attend the Board meetings in person. Where a Director isn't available to attend a meeting for any reason, he may appoint another Director in written power of attorney to attend the Board meeting on his behalf. The power of attorney shall set out the authorisation scope.

The Director so appointed as a proxy of another Director to attend the meeting shall exercise the rights of a Director within the scope of power of attorney. Where a Director doesn't attend or appoint a proxy to attend a Board meeting on his behalf, he shall be deemed to waive his voting right at the meeting.

#### **Article 74**

In the case of matters requiring approval by an extraordinary board meeting, if the resolution in question is sent to all Directors by the Board and is affirmatively signed and accepted by the number of Directors necessary to make such a decision as stipulated in the said requirements under the Articles of Association, then such matters can be deemed as a resolution and do not need to be adopted by the Board of Directors.

#### **Article 75**

The Board of Directors shall keep minutes of its decisions concerning the matters under its consideration at the meeting of the Board and such meetings as are not convened. Directors attending the meeting and the person recording the minutes shall sign their names on the minutes of that meeting.

Directors shall be liable for resolutions of the Board. If a resolution is against the laws, administrative rules or the Articles of Association, and thus causing the Company suffers any loss, the Directors who participate in voting shall assume the liability to compensate to the Company; but those Directors who are proved to have cast a dissenting vote which is recorded in the minutes shall be exempted from liability.

## **Article 76**

The Board of Directors establishes specialized committees including the audit committee, remuneration committee and nomination committee, as well as other specialized committees deemed necessary by the Board. These specialized committees are accountable to the Board and perform their duties in accordance with the Articles of Association and the Board's authorization. Proposals must be submitted to the Board for review and decision. All members of the specialized committees are directors and meet the standards of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Board is responsible for formulating working procedures for the specialized committees to regulate their operation.

The members of the audit committee shall be appointed by the Board of Directors and shall consist of no fewer than three directors, all of whom shall be non-executive Directors and more than half of whom shall be independent non-executive Directors; the chairman of the audit committee shall be an independent non-executive Director; and at least one member of the audit committee shall possess the appropriate professional qualifications required under Rule 3.10(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, or possess appropriate accounting or related financial management expertise.

The members of the remuneration committee shall be appointed by the Board of Directors and shall consist of no fewer than three directors, most of whom shall be independent non-executive Directors and shall be chaired by an independent non-executive Director.

The members of the nomination committee shall be appointed by the Board of Directors and shall consist of no fewer than three directors, with a majority of the members being independent non-executive Directors, and the chairman or an independent non-executive Director serving as the chairperson.

## **CHAPTER 9 SECRETARY TO THE BOARD OF DIRECTORS**

### **Article 77**

The Company shall have one secretary to the Board of Directors. The secretary shall be the senior management personnel of the Company.

### **Article 78**

The secretary to the Company's Board of Directors shall be a person whom the Hong Kong Stock Exchange deems competent in academic or professional qualifications or relevant experience to perform the duties as a company secretary, and shall be appointed or dismissed by the Board of Directors.

The main tasks of the secretary to the Board of Directors include:

- (1) to assist directors to deal with the daily matters of the Board of Directors, continuously provide, remind and ensure directors to be well informed of the laws, regulations, policies and requirements of both domestic and overseas regulatory organisations concerning the operation of the Company, and assist directors and managers to practically implement the domestic and foreign laws, regulations, the Articles of Association and other regulations when performing their duties and powers;
- (2) to be responsible for the organisation and preparation of the documents of the Board of Directors and general meeting, well prepare the meeting record work, ensure the meeting policies in conformity with the legal procedures, and to keep abreast of the execution of the resolutions of the Board of Directors;
- (3) to be responsible for the organisation and coordination of information disclosure, coordinate the relationship with the investors, and enhancement of the transparency of the Company;
- (4) to participate in and organise the financing in capital market;
- (5) to deal with the relationships with the intermediary organs, regulatory authorities and the Media, take good care of public relationship.

The main duties and responsibilities of the secretary to the Board of Directors are:

- (1) To organise and arrange the Board meetings and the General Meetings; to prepare documents for such meetings; to make relevant arrangements for meetings, to be responsible for recording minutes; to ensure the accuracy of minutes; to keep documents and minutes of meetings and to actively learn about the implementation of relevant resolutions; and to report and make recommendations to the Board on important issues being implemented.
- (2) to ensure that important decisions of the Board will be implemented in strict compliance with required procedures; at the request of the Board, to take part in, and organise the consultation and analysis of issues to be decided by the Board and provide advice and recommendations thereon; and to carry out daily routine of the Board and its relevant committees upon authorisation.
- (3) to act as the contact person of the Company with securities regulatory authorities; to be responsible for the organisation, preparation and timely submission of documents required by regulatory authorities; and to be responsible for undertaking, organising and completing tasks delegated by regulatory authorities.
- (4) to be responsible for coordinating and organising the Company's information disclosure, setting up a sound information disclosure system and participating in all meetings of the Company in relation to information disclosure; and to gain in timely manner knowledge of important business decisions and relevant information of the Company.

- (5) to be responsible for keeping price-sensitive information of the Company confidential and formulating effective confidentiality rules and measures; in case of a leakage of share price-sensitive information of the Company for whatever reasons, to take necessary remedial measures, make prompt explanation and clarification.
- (6) to be responsible for coordinating and organising marketing activities, coordinating reception of visits to the Company, dealing with investor relationships, maintaining contact with investors, intermediaries and the media; to be responsible for coordinating and answering questions raised by the public, to ensure investors can promptly obtain information disclosed by the Company; to organise and prepare for marketing and promotion activities within and outside the PRC; to prepare a summary report on marketing activities and important visits as well as other activities.
- (7) to be responsible for administering and keeping the Company's register of shareholders, registers of Directors, records of shareholdings of major shareholders and directors and list of holders of outstanding debentures of the Company; and to be permitted to keep the common seal and to establish comprehensive measures for the management of the common seal.
- (8) to assist directors and managers in exercising their powers as per domestic and foreign laws, regulations, the Articles of Association and other relevant regulations; and to serve a prompt reminder after becoming aware of resolutions or possible resolutions in breach of relevant regulations.
- (9) to provide necessary information to the Supervisory Committee and other audit committees to perform the supervisory duties and to assist in due diligence of the financial officers of relevant companies, the directors and General Managers of the Company.
- (10) to perform other responsibilities conferred by the laws, regulations, the rules of the stock exchange where the Company's shares are listed, the Articles of Association, the general meeting and the Board.

#### **Article 79**

A Director or the senior management personnel of the Company may concurrently act as the secretary to the Company's Board of Directors. No accountant of the accounting firm engaged by the Company to handle the Company's audit affairs may concurrently act as the secretary to the Company's Board of Directors.

In the case of a Director acting concurrently as the secretary to the Board and an action has to be taken by a Director and the secretary to the Board respectively, the director acting concurrently as the secretary to the Board may not act in his/her capacity as both the director and the secretary to the Board.

## **CHAPTER 10 GENERAL MANAGER OF THE COMPANY**

### **Article 80**

The Company shall have one General Manager, no more than twenty Deputy General Managers, and one chief financial officer who shall all be nominated by General Manager and appointed or removed by the Board of Directors.

The Company's Board of Directors may decide that Board members concurrently serve as General Manager and other senior management personnel, but the number of Directors concurrently serving as General Manager and other senior management personnel shall not exceed one-half of the total number of Directors of the company.

### **Article 81**

The Company's General Manager shall be accountable to the Board of Directors and shall exercise the following duties and powers:

- (1) to be in charge of the Company's production, operation and management, to coordinate the implementation of the resolutions of the Board of Directors, and to report the duties to the Board of Directors;
- (2) to organise the implementation of the Company's annual business plan and investment proposal;
- (3) to draft plans for the establishment of the Company's internal management structure;
- (4) to draft the Company's basic management system;
- (5) to draft the Company's specific regulations;
- (6) to request the Board to appoint or dismiss the Company's Deputy General Manager and other senior management personnel (including the chief financial officers);
- (7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors; and
- (8) other duties and powers conferred by the Articles of Association and the Board of Directors.

### **Article 82**

The General Manager shall attend Board meetings, but do not have any voting rights at Board meetings.

### **Article 83**

In performing their functions and powers, the General Manager, Deputy General Manager and other senior management officer of the Company shall act honestly and diligently in accordance with laws, administrative regulations and the Articles of Association.

## **CHAPTER 11 SUPERVISORY COMMITTEE**

### **Article 84**

The Company shall have a Supervisory Committee.

### **Article 85**

The Supervisory Committee consists of three supervisors. Supervisor has a term of three (3) years and can be re-elected. External supervisors (refers such supervisor not serving in the company, the same below) shall account more than half of the Supervisory Committee.

The Supervisory Committee shall have one (1) Chairman.

The appointment or removal of the Chairman of the Supervisory Committee shall be determined by two-thirds or more of the members of the Supervisory Committee.

### **Article 86**

The Board of Supervisors shall comprise of two (2) shareholders' representatives and one (1) employee representative of the Company.

### **Article 87**

Directors, General Manager, chief financial officers and other senior management personnel may not act concurrently as supervisors.

### **Article 88**

Supervisors' meetings shall be convened at least once per six (6) months. The meetings shall be called upon by the Chairman of the Supervisory Committee. Supervisors may propose to convene an extraordinary meeting of the Supervisory Committee. If the chairman of the Supervisory Committee is unable or fail to perform his/her duties, a supervisor shall be jointly elected by more than half of the supervisors to convene and preside over the meeting of the Supervisory Committee.

### **Article 89**

The Supervisory Committee shall be responsible to the Board meeting and exercise the following functions and powers in accordance with law:

(1) to review the Company's financial position;

- (2) to supervise the Directors and senior management personnel on their performance of their duties, and to propose removal of any Director or senior management personnel who violates laws, administrative regulations, this Articles of Association, or resolutions of the general meeting;
- (3) to demand the Directors, General Manager and other senior management personnel to rectify their error if they have acted in a harmful manner to the Company's interest;
- (4) to check and inspect the financial information such as the financial report, business report and plans for profits distribution to be submitted by the Board of Directors to the general meetings, and to authorise, in the Company's name, publicly certified and practicing accountants to assist in the review on such information should any doubt arise in respect thereof;
- (5) to propose to convene an extraordinary general meeting, and to convene and preside over general meetings when the Board of Directors fails to perform its duties to convene and preside over such meetings;
- (6) to propose resolution at the general meeting;
- (7) to represent the Company in negotiations with Directors and senior management personnel or in lawsuits against Directors and senior management personnel; and
- (8) other duties and powers as conferred by laws, regulations, listing rules of the stock exchange where the Company's shares are listed, the Articles of Association and general meetings.

Supervisors shall attend Board meetings.

#### **Article 90**

Proceedings of Supervisory Committee: resolutions of the Supervisory Committee shall be passed by a majority vote of more than half of the members of the Supervisory Committee.

#### **Article 91**

All reasonable fees incurred in respect of the employment of professionals (such as lawyers, certified public accountants or practicing auditors) which are required by the Supervisory Committee in the exercise of its functions and powers shall be borne by the Company.

#### **Article 92**

A supervisor shall carry out his duties faithfully and bona fide in accordance with laws, administrative regulations and the Articles of Association, and must not use their position to accept bribes or other illegal income, nor embezzle the Company's property.

**CHAPTER 12 QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS,  
SUPERVISORS, GENERAL MANAGER AND OTHER SENIOR  
MANAGEMENT PERSONNEL OF THE COMPANY**

**Article 93**

A person may not serve as a Director, Supervisor, General Manager or other senior management personnel of the Company if any of the following circumstances apply:

- (1) a person who does not have or who has limited capacity for civil conduct;
- (2) a person who has been found guilty of for corruption, bribery, infringement of property or misappropriation of property or other crimes which destroy the social economic order, and the sentence is enforced for less than five (5) years. If a suspended sentence is granted, no more than two (2) years have passed since the expiration of the probation period;
- (3) a person who is a former director, factory manager or manager of a company or enterprise which has been dissolved or put into liquidation as a result of mismanagement and who was personally liable for the winding up of such company or enterprise, where less than three (3) years have elapsed since the date of completion of the insolvent liquidation of the company or enterprise;
- (4) a person who is a former legal representative of a company or enterprise the business licence of which was revoked due to violation of law and who are personally liable therefor, where less than three (3) years have elapsed since the date of the cancellation of the business licence;
- (5) a person who has a relatively large amount of debts which have become due and outstanding;
- (6) a person who has been subject to securities market entry bans by the securities regulatory authority under the State Council, and whose bans have not yet expired;
- (7) a person who has been publicly identified by the stock exchange as unsuitable to serve as directors or senior managers of listed companies, and whose period of unsuitability has not yet expired;
- (8) the circumstances specified by laws, administrative regulations, departmental rules, or relevant laws and regulations of the place where the company's stock is listed.

Any election, appointment, or hiring of Directors that violates this provision shall be invalid. If a Director falls under any of the circumstances described in this provision during their term of office, the Company shall remove them from their position.

#### Article 94

Directors, General Managers, and other senior management personnel shall abide by laws, administrative regulations, and the Articles of Association, and shall have the following fiduciary duties to the Company:

- (1) not to abuse his position to accept bribes or other illegal income;
- (2) shall not embezzle the Company's property or misappropriate the Company's funds;
- (3) shall not deposit the Company's assets or funds in accounts opened in their own name or in the name of other individuals;
- (4) without reporting to the Board of Directors or general meeting and passing a resolution from the Board of Directors or general meeting as stipulated in the Articles of Association, they shall not directly or indirectly enter into contracts or transactions with the Company;
- (5) shall not use their position to seek business opportunities belonging to the Company for themselves or others, except where such business opportunities are prohibited by law, administrative regulations, or the Articles of Association, unless reported to the Board of Directors or general meeting and approved by a shareholders' resolution;
- (6) shall not operate or manage businesses similar to those of the Company for themselves or others without reporting to the Board of Directors or general meeting and passing a resolution at general meeting;
- (7) shall not accept commissions from transactions with the Company for their own benefit;
- (8) shall not disclose company secrets without authorization;
- (9) shall not use their related party relationships to impair the Company's interests;
- (10) other fiduciary duties stipulated by law, administrative regulations, departmental rules, and the Articles of Association.

Any income obtained in violation of this article shall belong to the Company; if losses are caused to the Company, the one violating this article shall be liable for compensation.

The provisions of item (4) in clause 2 of this Article shall apply to the contracts or transactions entered into by the close relatives of Directors, general managers and other senior management personnel, enterprises directly or indirectly controlled by Directors, general managers and other senior management personnel or their close relatives, and entities that have other related relationships with Directors, general managers and other senior management personnel.

## **Article 95**

Directors, general managers, and other senior management personnel shall comply with the provisions of laws, administrative regulations, and the Articles of Association, and owe a duty of diligence to the Company. In performing their duties, they shall exercise reasonable care that is normally expected of managers for the best interests of the Company.

Directors, general managers, and other senior management personnel owe the following duties of diligence to the Company:

- (1) They shall exercise the rights granted to them by the Company prudently, diligently, and attentively to ensure that the Company's business activities comply with the requirements of national laws, administrative regulations, and various national economic policies, and that business activities do not exceed the business scope stipulated in the business license;
- (2) They shall treat all shareholders fairly;
- (3) They shall keep abreast of the Company's business operations and management status;
- (4) They shall sign written confirmations of the Company's periodic reports, ensuring that the information disclosed by the Company is true, accurate, and complete;
- (5) They shall truthfully provide relevant information and materials to the Board's audit committee and shall not obstruct the Board's audit committee from exercising its functions and powers;
- (6) Other duties of diligence stipulated by laws, administrative regulations, departmental rules, and the Articles of Association.

## **Article 96**

The fiduciary duty of care and loyalty owed to the Company's Directors, supervisors, general managers, and other senior management personnel does not necessarily terminate upon the end of their term of office. Their obligation to maintain the confidentiality of the Company's trade secrets remains effective after their term of office ends. The duration of other obligations should be determined on an equitable basis, depending on the length of time between the occurrence of the event and their departure from office, and the circumstances and conditions under which their relationship with the Company ends.

## **CHAPTER 13 FINANCIAL AND ACCOUNTING SYSTEMS AND PROFIT DISTRIBUTION**

### **Article 97**

The Company shall establish its financial and accounting systems in accordance with laws, administrative regulations and PRC accounting standards formulated by the finance regulatory department of the State Council.

#### **Article 98**

The Company should use RMB as its functional currency.

At the end of each fiscal year, the Company shall prepare a financial report which shall be examined and verified in a manner prescribed by law.

#### **Article 99**

Unless otherwise stipulated by the relevant laws, regulations, the listing rules of the stock exchange where the company's shares are listed, and the Articles of Association, the Company's board of directors shall, at each annual general meeting, submit to the shareholders such financial reports which the relevant laws, administrative regulations and directives promulgated by competent regional and central governmental authorities require the Company to prepare.

#### **Article 100**

The Company's financial reports and Directors' reports shall be made available for shareholders' inspection at the Company twenty (20) days before the date of annual general meeting. Each shareholder shall be entitled to have a copy of the financial reports referred to in this Chapter.

The financial report mentioned above shall include the report of the Board together with the balance sheet (including any documents required to be attached under PRC or other laws and administrative regulations) and the profit and loss statement (income statement) or the statement of income and expenditure (cash flow statement), or (without violating any applicable laws of the PRC) a summary financial report approved by the stock exchange where the Company's shares are listed.

Except as otherwise provided by applicable laws, regulations and the listing rules of the stock exchange where the Company's shares are listed and in these Articles of Association, the Company shall send the aforementioned report and the report of the Board by postage-paid mail to (or through the official website or electronic announcement on the Company's website or any other means of communication provided by the Company) each shareholder registered in the register of foreign shareholders of the overseas listed company at least twenty-one (21) days prior to the general meeting.

#### **Article 101**

The financial statements of the Company shall, in addition to being prepared in accordance with PRC enterprise accounting standards and regulations, be prepared in accordance with either international accounting standards, or that of the place overseas where the Company's shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, such difference shall be stated in the financial statements. In distributing its profits after tax of

relevant fiscal year, the lower of the two profits after tax prepared by (i) PRC enterprise accounting standards and regulations or (ii) international accounting standards, or that of the place overseas where the Company's shares are listed shall be adopted.

#### **Article 102**

Any interim results or financial information published or disclosed by the Company must also be prepared and presented in accordance with PRC enterprise accounting standards and regulations, and also in accordance with either international accounting standards or that of the place overseas where the Company's shares are listed.

#### **Article 103**

The Company shall publish its annual and half-year financial reports. Annual financial report shall be published within four (4) months days after the end of each fiscal year, half-year financial report shall be published within three (3) months after the end of the first six month of the fiscal year.

#### **Article 104**

The Company may not establish any accounting books other than those required by law. The Company's assets shall not be stored in accounts opened in the name of any individual.

#### **Article 105**

When distributing after-tax profits for the current year, the Company shall allocate 10% of the profits to its statutory reserve fund. If the accumulated statutory reserve fund exceeds 50% of the Company's registered capital, no further allocation is required.

If the Company's statutory reserve fund is insufficient to cover losses from previous years, the current year's profits shall be used to cover the losses before allocating to the statutory reserve fund as stipulated above.

After allocating to the statutory reserve fund from after-tax profits, the Company may, upon resolution at a general meeting, allocate to a discretionary reserve fund from after-tax profits.

The remaining after-tax profits after covering losses and allocating to statutory reserve fund shall be distributed according to the proportion of shares held by shareholders, unless otherwise stipulated in the company's articles of association.

If a shareholder distributes profits to other shareholders in violation of relevant laws and regulations and the Articles of Association, the shareholder shall return the profits which is distributed in violation of the regulation to the Company; if this causes losses to the Company, the shareholder and the responsible Directors and senior management personnel shall bear liability for compensation.

Shares held by the Company itself do not participate in profit distribution.

The dividend doesn't bear any interest, unless the Company doesn't distribute relevant dividend to the shareholders on the due date. Shareholders are entitled to dividends on the payment of any shares paid before the call on shares, but shareholders have no right on dividend declared before the due date for advancement thereof.

If the Company exercises the power to confiscate the uncollected dividends, such power shall be exercised only after the expiry of the applicable period.

For the exercise of power to terminate the delivery of overseas-listed share dividend warrants by post, if such dividend warrants haven't been cashed, then such power shall be exercised only after such dividend warrants haven't been cashed twice. However, upon such dividend warrants can't be served initially to the recipient and have been returned, such power can be exercised also.

For the exercise of power to disposal of shares of untraceable holders of overseas-listed shares, unless complying with the following provisions, otherwise the Company shall not exercise such power:

- (1) The relevant shares have been distributed at least three times of dividends within twelve years, and no dividend is claimed during that period; and
- (2) After the expiry of twelve years, the Company publishes an advertisement in the newspapers, indicating its intention to sell shares, and it shall notify the Stock Exchange of Hong Kong.

#### **Article 106**

Capital common reserve fund includes the following items:

- (1) premium on shares issued at a premium price; and
- (2) any other income designated for the capital common reserve fund by the regulations of the finance regulatory department of the State Council.

#### **Article 107**

The common reserve fund of the Company shall be applied for the following purposes:

- (1) compensating the losses. To make up for the Company's losses, discretionary reserves and statutory reserves should be used first; if these are still insufficient, capital reserves may be used in accordance with regulations.
- (2) increase of capital by conversion: when the statutory common reserve fund is converted to increase share capital, the remaining statutory common fund after such conversion shall be no less than twenty five per cent. of the registered capital; and
- (3) expansion of the Company's production and operation.

#### **Article 108**

The amount of dividend declared by the Company will be determined based on the Company's operation results, cash flow, financial position, operation and capital requirements as well as other factors. The Company will take the discretion to declare dividends according to the above factors. In addition to resolutions otherwise made by general meeting, under the premise of considering the Company's position and complying with relevant laws and regulations and the relevant provisions of the Articles of Association, the Board of Directors can determine to allocate, distribute and pay interim dividends and special dividends.

#### **Article 109**

The Company may distribute dividends in the following forms (or both forms):

- (1) cash; and
- (2) shares.

#### **Article 110**

Dividends of ordinary shares shall be denominated and declared in RMB. Dividends of Domestic Shares shall be paid in RMB. Dividends of Foreign Shares shall be denominated and declared in RMB, but shall be paid in the currency of the place where these Foreign Shares are listed (or, if there is more than one such place, of the place where those Foreign Shares maintain a primary listing as determined by the Board of Directors). Foreign currency payments that the Company needs to make to foreign shareholders shall be handled in accordance with the relevant national regulations on foreign exchange management.

#### **Article 111**

Unless otherwise stipulated by related laws or administrative regulations, for dividend paid in foreign currencies, the exchange rates applied are the average closing prices of the related foreign currencies announced by the People's Bank of China one week prior to the declaration of dividend and other distributions.

#### **Article 112**

The Company shall appoint receiving agents for holders of the Overseas Listed Foreign Shares. Such receiving agents shall receive dividends which have been declared by the Company and all other amounts which the Company should pay to holders of Overseas Listed Foreign Shares on such shareholders' behalf.

The receiving agents appointed by the Company shall meet the relevant requirements of the laws of the place at which the stock exchange on which the Company's shares are listed or the relevant regulations of such stock exchange.

## **CHAPTER 14 APPOINTMENT OF ACCOUNTING FIRM**

### **Article 113**

The Company shall appoint an independent accounting firm which is qualified under the relevant regulations of the State to audit the Company's annual financial report and review other financial reports of the Company.

The appointment of an accounting firm to handle the Company's audit affairs must be decided by the general meeting, and the Board of Directors may not make any appointment before the any decision made at a general meeting.

### **Article 114**

The accounting firm appointed by the Company to handle its audit affairs shall hold office from the conclusion of the annual general meeting at which they were appointed until the conclusion of the next annual general meeting.

### **Article 115**

The Company shall provide the accounting firm engaged to handle the Company's audit affairs with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials, and shall not refuse, conceal or falsify them.

### **Article 116**

The shareholders at a general meeting have the right to, by ordinary resolution, remove the accounting firm which is engaged to handle the Company's audit affair before the expiration of its term of office, irrespective of the provisions in the contract between the Company and the accounting firm.

### **Article 117**

The emolument of an accounting firm engaged to handle the Company's audit affairs or the manner in which such firm is to be remunerated shall be determined by the shareholders at a general meeting by way of ordinary resolution.

### **Article 118**

Prior notice should be given to the accounting firm in advance if the Company decides to remove or not to renew appointment of such accounting firm. Such accounting firm shall be entitled to make representations at the general meeting. Where the accounting firm resigns from its position as the Company's auditors, it shall make clear to the shareholders in a general meeting whether there has been any impropriety on the part of the Company.

## **CHAPTER 15 MERGER AND DIVISION OF THE COMPANY**

### **Article 119**

In the case of merger or division of the Company, the Board of Directors shall propose a proposal, and, upon approval in accordance with the procedures under the Articles of Association, deal with the relevant approval procedures pursuant to laws. A shareholder who objects to the proposal of merger or division shall have the right to demand the Company or the shareholders who consent to the proposal of merger or division to acquire such dissenting shareholders' shareholding at a fair price. The contents of the resolution of merger or division of the Company shall constitute special documents which shall be available for inspection by the shareholders.

To overseas shareholders, the aforesaid document should be sent by prepaid mail, or the electronic announcement through the official website or Company website or any means of corporate communication.

### **Article 120**

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

In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten (10) days from the date on which the Company's merger resolution is passed, and shall publish an announcement within thirty (30) days in a newspaper or on the National Enterprise Credit Information Publicity System. Creditors have the right to demand that the Company settle its debts or provide corresponding guarantees within thirty (30) days from the date of receiving the notice, or within forty-five (45) days from the date of the announcement if they have not received the notice.

After the merger, the claims and debts of the merging parties shall be assumed by the surviving company or the newly established company.

### **Article 121**

Where there is a division of the Company, its assets shall be divided up accordingly.

In the event of division of the Company, the parties to such division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten (10) days from the date on which the Company's division resolution is passed, and shall publish an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within thirty (30) days.

Debts owing by the Company before the division shall be borne by the companies after the division in accordance with the relevant division agreement. However, this does not apply if the Company has a separate written agreement with its creditors regarding debt repayment reached before the division.

## **Article 122**

The Company shall, in accordance with law, apply for change in its registration with the company registration authority where a change in any item in its registration arises as a result of any merger or division. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with law. Where a new company is established, the Company shall apply for registration thereof in accordance with law.

## **CHAPTER 16 DISSOLUTION AND LIQUIDATION OF THE COMPANY**

### **Article 123**

The Company shall be dissolved and liquidated upon the occurrence of any of the following events:

- (1) a resolution regarding the dissolution is passed by shareholders at a general meeting;
- (2) dissolution is necessary due to a merger or division of the Company;
- (3) the company's operation and management encounter serious difficulties, and continued existence would cause significant losses to the shareholders' interests, and the problem cannot be resolved through other means, shareholders holding more than 10% of the total voting rights of the Company may request the People's Court to dissolve the Company;
- (4) the Company violates laws or administrative regulations and its business license is revoked, it is ordered to close down, or it is dissolved according to law;
- (5) the company is declared bankrupt according to law due to its inability to pay its debts as they fall due; and
- (6) the operating period stipulated in the Articles of Association expires, or other dissolution events stipulated in the Articles of Association occur.

If the company experiences any of the dissolution events stipulated in the preceding paragraph, it shall publicize the dissolution events through the National Enterprise Credit Information Publicity System within ten days.

If the company is dissolved due to the circumstances described in item (6) of this Article, it may continue to exist by amending its articles of association.

### **Article 124**

Should the Company be dissolved due to provisions mentioned in item (1), (3), (4) and (6) in clause (1) above, the Company should establish a liquidation committee within fifteen days to commence the liquidation. Members of the liquidation committee should be selected at the board meeting or general meeting.

Where the Company is dissolved under sub-paragraph (4) of the preceding Article, the relevant authorities shall organise the shareholders, relevant organisations and related professional personnel to establish a liquidation committee to carry out the liquidation.

Should the Company be dissolved due to provisions mentioned in item (5) of the preceding Article, the People's Court will, subject to related laws, organise shareholders, related organisations and professionals to establish a liquidation committee to carry out the liquidation.

#### **Article 125**

The liquidation committee shall, within ten (10) days of its establishment, send notices to creditors and shall, within sixty (60) days of its establishment, publish an announcement in a newspaper or on the National Enterprise Credit Information Publicity System.

#### **Article 126**

Within thirty (30) days following the date of service of the written notification, or within forty-five (45) days following the public announcement if the written notification is not personally received, the creditors shall declare creditors' rights to the liquidation committee. A creditor declaring a creditor's right shall state the relevant matter in relation to the debt, and provide evidentiary material. The liquidation committee shall register the creditors' rights. During the period for declaring the creditors' rights, the liquidation committee shall not make any payments to creditors.

#### **Article 127**

During the liquidation period, the liquidation committee shall exercise the following functions and powers:

- (1) to categorise the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (2) to notify the creditors or to publish public announcements;
- (3) to dispose of and liquidate any unfinished businesses of the Company;
- (4) to pay all outstanding taxes and taxes incurred during the liquidation process;
- (5) to settle claims and debts;
- (6) to deal with the surplus assets remaining after repayment by the Company of its debts; and
- (7) to represent the Company in any civil proceedings.

### **Article 128**

After categorising the Company's assets and preparing the balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and present it to a general meeting or to the relevant authority for confirmation.

Payment of debts out of the Company's property shall be made in the order of priority prescribed by applicable laws and regulations.

The remaining property of the Company after payment has been made under the previous provision shall be distributed to its shareholders according to the class and proportion of their shareholding. The Company shall not undertake any new business during the process of liquidation.

### **Article 129**

Upon completion of the categorisation of the Company's assets and preparation a balance sheet and an inventory of assets, if the liquidation committee discovers that the Company's assets are insufficient to repay the Company's debts in full, the liquidation committee shall immediately apply to the People's Court in accordance with laws for bankruptcy and liquidation.

After acceptance of the bankruptcy application by the People's Court, the liquidation committee shall transfer all matters relating to the liquidation to the bankruptcy administrator designated by the People's Court.

### **Article 130**

Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report submit to the general meeting or relevant authorities for confirmation. The report shall also be sent to the company registration authorities and apply for cancellation of registration of the Company, and publish an announcement relating to the termination of the Company.

## **CHAPTER 17 PROCEDURES FOR AMENDMENT TO THE ARTICLES OF ASSOCIATION OF THE COMPANY**

### **Article 131**

The Company may amend its Articles of Association in accordance with the requirements of laws, administrative regulations and the Articles of Association.

### **Article 132**

If the amendments to the Articles of Association passed at the general meeting require approval from the competent authority, such approval must be obtained from the competent authority; if there is any change relating to the registered particulars of the Company, application shall be made for change in registration in accordance with laws.

The Board of Directors amends the Articles of Association in accordance with the resolution passed at the general meeting to amend the Articles of Association and the approval opinions of the relevant competent authority.

Amendments to the Articles of Association are information required to be disclosed by laws, regulations, and other rules and shall be announced as required.

## **CHAPTER 18 SUPPLEMENTARY PROVISIONS**

### **Article 133**

Unless otherwise provided, any notice or report required or permitted to be given or delivered by the Company by public advertisement must be published in at least one newspaper with national circulation approved by the State Council securities regulatory department, and must be published, as far as practicable, on the same day in the Chinese and English languages respectively in a major Chinese and a major English newspaper in Hong Kong.

### **Article 134**

The Articles of Association are written in Chinese and English. Both versions are equally valid, but in the case of discrepancy, the Chinese version shall prevail.

### **Article 135**

In the Articles of Association, references to “accounting firm” shall have the same meaning as “auditors”.

The term “controlling shareholder” in the Articles of Association refers to a shareholder holding more than 50% of the Company’s total share capital; or a shareholder whose shareholding is less than 50% but whose voting rights are sufficient to significantly influence resolutions of the general meeting.

The term “de facto controller” in the Articles of Association refers to a natural person, legal person, or other organization that, through investment relationships, agreements, or other arrangements, is capable of effectively controlling the Company’s actions.

The terms “above,” “within,” and “within” in these Articles of Association include the stated number; the terms “outside,” “below,” “more than,” “exceed,” “exceeding,” and “outside” do not include the stated number; “day” refers to a calendar day.

The Board of Directors of the Company reserves the right to interpret these Articles of Association. Matters not covered in these Articles of Association shall be submitted by the Board of Directors to the general meeting for review and approval.