

**Jiangsu Recbio Technology Co., Ltd.**

**Articles of Association**

**December 2025**

## TABLE OF CONTENTS

<b>Chapter 1</b>	<b>General Provisions</b> .....	1
<b>Chapter 2</b>	<b>Business Philosophy and Scope</b> .....	4
<b>Chapter 3</b>	<b>Shares</b> .....	4
	Section 1 Issuance of Shares .....	4
	Section 2 Increase, Decrease and Repurchase of Shares .....	10
	Section 3 Transfer of Shares .....	12
	Section 4 Share Certificate and Register of Shareholders .....	13
<b>Chapter 4</b>	<b>Shareholders and General Meeting</b> .....	14
	Section 1 Shareholders .....	14
	Section 2 General Provisions of General Meeting .....	16
	Section 3 Call of General Meeting .....	19
	Section 4 Motion and Notice of General Meeting .....	21
	Section 5 Convention of General Meeting .....	23
	Section 6 Voting and Resolution of General Meeting .....	26
<b>Chapter 5</b>	<b>Board of Directors</b> .....	31
	Section 1 Directors .....	31
	Section 2 Board of Directors .....	32
	Section 3 Independent Non-executive Directors .....	38
	Section 4 Special Committees of the Board of Directors .....	40
<b>Chapter 6</b>	<b>General Manager and Other Senior Management</b> .....	43
<b>Chapter 7</b>	<b>Qualifications and Obligations of Directors and Senior Management</b> .....	46
<b>Chapter 8</b>	<b>Financial and Accounting Policies, Profit Distribution and Audit</b> .....	50
	Section 1 Financial and Accounting Policies .....	50
	Section 2 Internal Audit .....	51
	Section 3 Appointment of Accountant Firm .....	52
<b>Chapter 9</b>	<b>Notices</b> .....	53
<b>Chapter 10</b>	<b>Merger, Division, Capital Increase and Decrease, Dissolution or Liquidation</b> .....	54
	Section 1 Merger, Division, Capital Increase and Decrease .....	54
	Section 2 Dissolution or Liquidation .....	55
<b>Chapter 11</b>	<b>Amendments to the Articles of Association</b> .....	57
<b>Chapter 12</b>	<b>Supplementary Provisions</b> .....	58

# **Jiangsu Recbio Technology Co., Ltd.**

## **Articles of Association**

### **CHAPTER 1 GENERAL PROVISIONS**

**Article 1** In order to regulate the organization and behaviors of Jiangsu Recbio Technology Co., Ltd. (the “**Company**”), and maintain the legitimate rights and interests of the Company, its shareholders and creditors, the Articles of Association has been hereby formulated in accordance with the relevant laws, administrative regulations and departmental rules (the “**laws and regulations**”), including the Company Law of the People’s Republic of China (the “**Company Law**”), the Securities Law of the People’s Republic of China (the “**Securities Law**”), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, the Guidelines on the Application of Regulatory Rules – No. 1 for Overseas Offering and Listing, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), with reference to the Guidelines on Articles of Association of Listed Companies.

**Article 2** The Company is a joint stock limited company established under the Company Law and other relevant regulations.

The Company was established by subscription of shares. On 25 May 2021, the Company obtained the business license issued by Taizhou Medical High-Tech Industry Development Zone Administration for Market Regulation, with the Unified Social Credit Code: 91321291595642925C.

**Article 3** The subscribers of the Company include the following forty-eight parties: Taizhou Yuangong Technology Partnership (Limited Partnership), Shanghai Chaorui Medical Technology Partnership (Limited Partnership), Beijing Junlian Shengyuan Equity Investment Partnership (Limited Partnership), Nanjing Zhaoyin Modern Industry II Equity Investment Fund (Limited Partnership), LYFE Niagara River Limited, Shenzhen Fuhai Xincal Phase II Venture Capital Investment Fund Partnership (Limited Partnership), Shenzhen Yingkejin Investment Management Partnership (Limited Partnership), Shenzhen Sequoia Hanchen Equity Investment Partnership (Limited Partnership), Zhuhai Junlian Yongshuo Equity Investment Enterprise (Limited Partnership), SCC Growth VI Holdco C (HK) Limited, Shenzhen Fuhai Juanyong II Venture Capital Enterprise (Limited Partnership), Lianyungang Ruibaitai Medical Technology Partnership (Limited Partnership), Jiangsu Jiequan Zhongwei Tengyun Medical and Health Industry Investment Fund (Limited Partnership), Shanghai Jiyue Enterprise Management Partnership (Limited Partnership), Shanghai

Jixuan Enterprise Management Consulting Partnership (Limited Partnership), Ningbo Meishan Bonded Port Area Haojin Zhitong Equity Investment Partnership (Limited Partnership), Xiangfeng (Xiamen) Investment Partnership (Limited Partnership), Taizhou China Pharmaceutical City Class I New Drug R&D Investment Fund Partnership (Limited Partnership), Ganzhou Haojin Zhiyuan Equity Investment Center (Limited Partnership), Liuyang Woyang Health Industry Investment Partnership (Limited Partnership), Changsha Woyang Phase II Health Industry Investment Partnership (Limited Partnership), Wuhan Chengyelian Equity Investment Enterprise (Limited Partnership), Suzhou Industrial Park Xinjianyuan Phase III Venture Capital Enterprise (Limited Partnership), Haitong Innovation Securities Investment Co., Ltd., Healthy Prestige Limited, Ma An Shan Lingnuo Jishi Equity Investment Partnership (Limited Partnership), Nanjing Tsingsong Medical Health Industry Investment Partnership (Limited Partnership), Shenzhen Tsingsong Chengtong Investment Partnership (Limited Partnership), YUN Ruilin, Nanjing Zhenyuan III Equity Investment Partnership (Limited Partnership), Suzhou Ruishi Nisheng Equity Investment Center (Limited Partnership), Shenzhen Fuhai Juanyong III Venture Capital Enterprise (Limited Partnership), Shenzhen Qianhai Kekong Fuhai Youxuan Venture Capital Partnership (Limited Partnership), Jiangsu Taizhou Guangkong Industry Investment Partnership (Limited Partnership), WO Jiuhua, LIU Hongyan, Shenzhen Fuhai Youxuan II High-tech Venture Capital Partnership (Limited Partnership), Shenzhen Luwei Investment Management Partnership (Limited Partnership), ZHAO Jiayi, Nanjing Xinrui Technology Partnership (Limited Partnership), Hongxun ABZYMO Nantong Equity Investment Center (Limited Partnership), Taizhou Xinchuanlv Enterprise Management Partnership (Limited Partnership), Shanghai Jinru Culture Development Co., Ltd., Jiangsu Zhongwei Tengyun Venture Capital Management Co., Ltd., Shenzhen Nanshan OFC Small and Medium Venture Capital Investment Fund Partnership (Limited Partnership), Shenzhen Zhaoyin Gongying Equity Investment Partnership (Limited Partnership), LIU Yong and Nanjing Zhaoyin Gongying Equity Investment Partnership (Limited Partnership).

- Article 4** The registered name of the Company:  
Full Name in Chinese: 江蘇瑞科生物技術股份有限公司  
Full Name in English: Jiangsu Recbio Technology Co., Ltd.
- Article 5** Company Domicile: No. 888 Yaocheng Avenue, Medical Hightech District, Taizhou City, Jiangsu Province; Postal Code: 225323; Tel: 0523-86818860; Fax: 0523-86818860.
- Article 6** The registered capital of the Company is RMB626,075,702.
- Article 7** The Company is a joint-stock limited company with perpetual existence.
- Article 8** The general manager of the Company is the legal representative of the Company.
- Article 9** All registered capital of the Company is divided into equal shares, and any shareholder shall be liable to the Company in proportion to its shares subscribed, while the Company shall be liable for all the corporate debts to the extent of total assets.
- Article 10** Since its effective date, the Articles of Association shall constitute a document with the legal binding force governing the organization and conducts of the Company, the right-obligation relationship between the Company and its shareholders, and between the shareholders, with binding effects on the Company, its shareholders, directors and senior management.
- Pursuant to the Articles of Association, a shareholder hereunder may take a legal action against another shareholder, or against a director or senior management of the Company, or against the Company, while the Company may take a legal action against a shareholder, director or senior management of the Company.
- Article 11** For the purpose of the Articles of Association, a “senior management” herein refers to general manager, vice general manager, secretary to the Board of Directors, chief financial officer, financial controller or other member of senior management recognized by the Board of Directors.
- Article 12** According to the Constitution of the Communist Party of China, the Company shall establish Party organizations and carry out Party activities. The Company shall provide necessary conditions for the activities of Party organizations.

## **CHAPTER 2 BUSINESS PHILOSOPHY AND SCOPE**

**Article 13** The business philosophy of the Company is to realize the vision of everybody enjoying a good health and become an enterprise needed for human health by innovating and popularizing biotechnology.

**Article 14** The business scope of the Company (to be finally determined by the local administration for market regulation) covers:

Licensed projects: pharmaceutical production (Business activities subject to approval in accordance with the laws can only be carried out after approval by relevant authorities, and the specific business projects are subject to the approval results).

General projects: bio-based materials manufacturing; bio-based materials sales; bio-based materials technology research & development; technical services, technology development, technical consulting, technology exchange, technology transfer, and technology promotion; technology import and export; goods import and export (except for projects subject to approval in accordance with the laws, business activities shall only be carried out independently based on the business license in accordance with the laws after approval by relevant authorities).

## **CHAPTER 3 SHARES**

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

**Article 15** The shares of the Company shall be issued in the form of shares certificates. The Company shall issue ordinary shares at any time, and when necessary, may issue other class of shares, subject to the laws, regulations and requirements of the securities regulatory authorities.

**Article 16** The Company shall issue shares in an open, equal and fair manner, and every share of the same class shall have the same rights.

All shares of the same class issued at the same time shall be issued under the same conditions and at the same price; the same price shall be paid for each share subscribed for by the subscriber.

**Article 17** Par value shares issued by the Company shall indicate the nominal value in RMB. The par value per share is RMB1.

**Article 18** Subject to the laws, regulations and requirements of the securities regulatory authorities, the Company may issue shares to both domestic and overseas investors.

The foregoing “overseas investors” under the preceding sentence refer to investors subscribing shares of the Company who are from foreign countries or China Hong Kong, Macao and Taiwan; and “domestic investors” refer to investors subscribing shares of the Company who are from mainland China, other than the foregoing regions.

**Article 19** The Company issues RMB-denominated shares to domestic investors and other eligible investors, which are called “domestic shares”. The Company issues foreign currency-denominated shares to overseas investors, which are called “foreign shares”. The foreign shares listed overseas are called overseas listed foreign shares, where those listed on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) are called H shares. H shares refer to the shares listed on the Hong Kong Stock Exchange upon approval, denominated in RMB, but subscribed and traded in foreign currency.

The foregoing “foreign currency” refers to the legal currency of other countries or regions other than RMB, to be used for subscription of shares, recognized by the foreign exchange administration authority of the State.

Both domestic shareholders and foreign shareholders are ordinary shareholders, enjoying the same rights and bearing the same obligations.

The shares issued by the Company but not listed at any domestic or overseas stock exchange are called the unlisted shares. After the overseas shares of the Company are issued and listed and subject to the laws, regulations and requirements of the securities regulatory authorities, all or part of the unlisted shares can be converted into overseas listed foreign shares. The listing and trading of the aforesaid shares converted at an overseas stock exchange shall also comply with the regulatory procedures, provisions and requirements of the overseas stock market. The conversion of unlisted shares into overseas listed foreign shares requires no holding of general meeting and voting.

The Company has been approved by the China Securities Regulatory Commission (the “**CSRC**”) on 9 October 2021 to issue no more than 91,712,500 overseas listed foreign shares and convert 58,927,120 unlisted foreign shares into overseas listed foreign shares. The Company’s 30,854,500 H shares were listed on the Hong Kong Stock Exchange on 31 March 2022 (another 3,858,500 over-allotment H shares were issued on 27 April 2022).

**Article 20** Subscribers have subscribed for shares of the Company in consideration of the audited net assets value in proportion to the rights and benefits of the former Jiangsu Rec-Biotechnology Co., Ltd. (江蘇瑞科生物技術有限公司) enjoyed by them. The registered capital has been fully paid at the time of registration. The names, number of shares subscribed for, percentages of shareholding, mode of contribution, time of contribution and other information are listed below:

S/N	Subscriber's name	Country	Certificate type	Certificate number	Number of shares subscribed (10k)	Percentage of shareholding	Mode of contribution	Time of contribution
1	Taizhou Yuangong Technology Partnership (Limited Partnership)	China	Unified Social Credit Code	91321291MA1X6H4546	828.6362	20.72%	Net assets converted into shares	9 May 2021
2	Shanghai Chaorui Medical Technology Partnership (Limited Partnership)	China	Unified Social Credit Code	91321291MA1WXJA62R	373.9003	9.35%	Net assets converted into shares	9 May 2021
3	Beijing Junlian Shengyuan Equity Investment Partnership (Limited Partnership)	China	Unified Social Credit Code	91110108MA01D0BA0A	283.3942	7.08%	Net assets converted into shares	9 May 2021
4	Nanjing Zhaoyin Modern Industry II Equity Investment Fund (Limited Partnership)	China	Unified Social Credit Code	91320105MA1WEMRM69	204.4616	5.11%	Net assets converted into shares	9 May 2021
5	LYFE Niagara River Limited	Cayman Islands	Company Number	2967402	168.5170	4.21%	Net assets converted into shares	9 May 2021
6	Shenzhen Fuhai Xincan Phase II Venture Capital Investment Fund Partnership (Limited Partnership)	China	Unified Social Credit Code	91440300MA5EHA1A76	159.4663	3.99%	Net assets converted into shares	9 May 2021
7	Shenzhen Yingkejin Investment Management Partnership (Limited Partnership)	China	Unified Social Credit Code	91440300360044293N	135.7618	3.39%	Net assets converted into shares	9 May 2021
8	Shenzhen Sequoia Hanchen Equity Investment Partnership (Limited Partnership)	China	Unified Social Credit Code	91440300MA5FU6YR7D	134.4250	3.36%	Net assets converted into shares	9 May 2021
9	Zhuhai Junlian Yongshuo Equity Investment Enterprise (Limited Partnership)	China	Unified Social Credit Code	91440400MA559YH51R	128.8660	3.22%	Net assets converted into shares	9 May 2021
10	SCC Growth VI Holdco C (HK) Limited	Hong Kong, China	Company Number	2979284	109.0404	2.73%	Net assets converted into shares	9 May 2021
11	Shenzhen Fuhai Juanyong II Venture Capital Enterprise (Limited Partnership)	China	Unified Social Credit Code	91440300MA5G61MC4F	109.0404	2.73%	Net assets converted into shares	9 May 2021
12	Lianyungang Ruibaitai Medical Technology Partnership (Limited Partnership)	China	Unified Social Credit Code	91320723MA25EA1J0P	107.6923	2.69%	Net assets converted into shares	9 May 2021
13	Jiangsu Jiequan Zhongwei Tengyun Medical and Health Industry Investment Fund (Limited Partnership)	China	Unified Social Credit Code	91320105MA1T9G5F25	90.5079	2.26%	Net assets converted into shares	9 May 2021

S/N	Subscriber's name	Country	Certificate type	Certificate number	Number of shares subscribed (10k)	Percentage of shareholding	Mode of contribution	Time of contribution
14	Shanghai Jiyue Enterprise Management Partnership (Limited Partnership)	China	Unified Social Credit Code	91310000MA1FL7ET2R	83.1880	2.08%	Net assets converted into shares	9 May 2021
15	Shanghai Jixuan Enterprise Management Consulting Partnership (Limited Partnership)	China	Unified Social Credit Code	91310000MA1FL3U068	80.2934	2.01%	Net assets converted into shares	9 May 2021
16	Ningbo Meishan Bonded Port Area Haojin Zhitong Equity Investment Partnership (Limited Partnership)	China	Unified Social Credit Code	91330206MA2CJ34GXM	79.3778	1.98%	Net assets converted into shares	9 May 2021
17	Xiangfeng (Xiamen) Investment Partnership (Limited Partnership)	China	Unified Social Credit Code	91350211MA33YNR05N	79.3022	1.98%	Net assets converted into shares	9 May 2021
18	Taizhou China Pharmaceutical City Class I New Drug R&D Investment Fund Partnership (Limited Partnership)	China	Unified Social Credit Code	91321200MA1N5GG37N	77.5782	1.94%	Net assets converted into shares	9 May 2021
19	Ganzhou Haojin Zhiyuan Equity Investment Center (Limited Partnership)	China	Unified Social Credit Code	91360702MA3998LJ02	64.9484	1.62%	Net assets converted into shares	9 May 2021
20	Liuyang Woyang Health Industry Investment Partnership (Limited Partnership)	China	Unified Social Credit Code	91430181MA4RFKJJ10	62.4504	1.56%	Net assets converted into shares	9 May 2021
21	Changsha Woyang Phase II Health Industry Investment Partnership (Limited Partnership)	China	Unified Social Credit Code	91430181MA4T5J4PXA	60.9386	1.52%	Net assets converted into shares	9 May 2021
22	Wuhan Chengyelian Equity Investment Enterprise (Limited Partnership)	China	Unified Social Credit Code	91420102584860927Q	55.5115	1.39%	Net assets converted into shares	9 May 2021
23	Suzhou Industrial Park Xinjianyuan Phase III Venture Capital Enterprise (Limited Partnership)	China	Unified Social Credit Code	91320594MA1XT1UW20	55.3331	1.38%	Net assets converted into shares	9 May 2021
24	Haitong Innovation Securities Investment Co., Ltd.	China	Unified Social Credit Code	91310000594731424M	49.5638	1.24%	Net assets converted into shares	9 May 2021
25	Healthy Prestige Limited	Hong Kong, China	Company Number	2977056	49.5638	1.24%	Net assets converted into shares	9 May 2021

S/N	Subscriber's name	Country	Certificate type	Certificate number	Number of shares subscribed (10k)	Percentage of shareholding	Mode of contribution	Time of contribution
26	Ma An Shan Lingnuo Jishi Equity Investment Partnership (Limited Partnership)	China	Unified Social Credit Code	91340500MA2RL8KB9R	29.7383	0.74%	Net assets converted into shares	9 May 2021
27	Nanjing Tsingsong Medical Health Industry Investment Partnership (Limited Partnership)	China	Unified Social Credit Code	91320113MA21DH7W5M	27.6665	0.69%	Net assets converted into shares	9 May 2021
28	Shenzhen Tsingsong Chengtou Investment Partnership (Limited Partnership)	China	Unified Social Credit Code	91440300MA5GC77XXQ	27.6665	0.69%	Net assets converted into shares	9 May 2021
29	YUN Ruilin	China	Personal identity card number	152601196107281019	25.8594	0.65%	Net assets converted into shares	9 May 2021
30	Nanjing Zhenyuan III Equity Investment Partnership (Limited Partnership)	China	Unified Social Credit Code	91320105MA22A194XP	22.7308	0.57%	Net assets converted into shares	9 May 2021
31	Suzhou Ruishi Nisheng Equity Investment Center (Limited Partnership)	China	Unified Social Credit Code	91320500572603835J	22.1332	0.55%	Net assets converted into shares	9 May 2021
32	Shenzhen Fuhai Juanyong III Venture Capital Enterprise (Limited Partnership)	China	Unified Social Credit Code	91440300MA5GAJLC93	20.7692	0.52%	Net assets converted into shares	9 May 2021
33	Shenzhen Qianhai Kekong Fuhai Youxuan Venture Capital Partnership (Limited Partnership)	China	Unified Social Credit Code	91440300MA5GCP039U	19.8255	0.50%	Net assets converted into shares	9 May 2021
34	Jiangsu Taizhou Guangkong Industry Investment Partnership (Limited Partnership)	China	Unified Social Credit Code	91321291MA20G54L97	19.8255	0.50%	Net assets converted into shares	9 May 2021
35	WO Jiuhua	China	Personal identity card number	32022319630922051X	19.3946	0.48%	Net assets converted into shares	9 May 2021
36	LIU Hongyan	China	Personal identity card number	530103196401132553	17.9404	0.45%	Net assets converted into shares	9 May 2021
37	Shenzhen Fuhai Youxuan II High-tech Venture Capital Partnership (Limited Partnership)	China	Unified Social Credit Code	91440300MA5GLQH20L	13.8462	0.35%	Net assets converted into shares	9 May 2021

S/N	Subscriber's name	Country	Certificate type	Certificate number	Number of shares subscribed (10k)	Percentage of shareholding	Mode of contribution	Time of contribution
38	Shenzhen Luewei Investment Management Partnership (Limited Partnership)	China	Unified Social Credit Code	91440300360040460Q	12.8866	0.32%	Net assets converted into shares	9 May 2021
39	ZHAO Jiayi	China	Personal identity card number	610103198308222422	12.8146	0.32%	Net assets converted into shares	9 May 2021
40	Nanjing Xinrui Technology Partnership (Limited Partnership)	China	Unified Social Credit Code	91320191MA1Y273P3R	12.8146	0.32%	Net assets converted into shares	9 May 2021
41	Hongxun ABZYMO Nantong Equity Investment Center (Limited Partnership)	China	Unified Social Credit Code	91320600MA1N38G26H	12.8146	0.32%	Net assets converted into shares	9 May 2021
42	Taizhou Xinchuanlv Enterprise Management Partnership (Limited Partnership)	China	Unified Social Credit Code	91321292MA21X6D00N	10.6910	0.27%	Net assets converted into shares	9 May 2021
43	Shanghai Jinru Culture Development Co., Ltd.	China	Unified Social Credit Code	91310117MA1J22WQ9Y	10.6910	0.27%	Net assets converted into shares	9 May 2021
44	Jiangsu Zhongwei Tengyun Venture Capital Management Co., Ltd.	China	Unified Social Credit Code	91320105MA1P5K1W1P	10.0000	0.25%	Net assets converted into shares	9 May 2021
45	Shenzhen Nanshan OFC Small and Medium Venture Capital Investment Fund Partnership (Limited Partnership)	China	Unified Social Credit Code	91440300MA5EUTWN3G	9.9128	0.25%	Net assets converted into shares	9 May 2021
46	Shenzhen Zhaoyin Gongying Equity Investment Partnership (Limited Partnership)	China	Unified Social Credit Code	914403003590908824	3.7496	0.09%	Net assets converted into shares	9 May 2021
47	LIU Yong	China	Personal identity card number	370102197209172553	2.5859	0.06%	Net assets converted into shares	9 May 2021
48	Nanjing Zhaoyin Gongying Equity Investment Partnership (Limited Partnership)	China	Unified Social Credit Code	91320105MA1YP1BRXF	1.8846	0.05%	Net assets converted into shares	9 May 2021
<b>Total</b>					<b>4,000.0000</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>

**Article 21** The Company has a total of 626,075,702 shares, including 297,937,013 domestic shares, accounting for 47.59% of the total share capital of the Company; and 328,138,689 foreign shares, accounting for 52.41% of the total share capital of the Company; and 316,138,689 H shares, accounting for 50.50% of the total share capital of the Company; and the foregoing shares are all ordinary shares.

**Article 22** Neither the Company nor its subsidiaries (including its affiliated enterprises) shall provide financial assistance to others for acquiring the Company's or its parent company's shares in any form, such as gifts, advance payments, guarantees, or loans, except for employee stock ownership plans implemented by the Company.

For the benefit of the Company, the Board of Directors may, in accordance with the Articles of Association, resolve to provide financial assistance to others for acquiring the Company's or its parent company's shares, provided that the total amount of such financial assistance shall not exceed ten percent of the total issued share capital. The resolution shall be passed by at least two-thirds of all directors.

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

**Article 23** The Company may, based on demand for corporate operation and development and in accordance with relevant laws and regulations, increase its capital by any of the following means upon resolutions being adopted by the general meetings:

- (1) Issuing shares to nonspecific targets;
- (2) Issuing shares to specific targets;
- (3) Distributing bonus shares to its existing shareholders;
- (4) Capitalizing its reserve funds;
- (5) Other means permitted by laws and regulations, or approved by the CSRC, the Hong Kong Listing Rules, the securities regulatory authority of the places of the Company where the shares are listed.

The Company's increase of capital by issuing new shares shall, after being approved in accordance with the provisions of the Articles of Association, be conducted in accordance with the procedures stipulated in relevant laws, regulations and governing rules of the places where the shares are listed.

**Article 24** The Company may decrease its registered capital. The Company may decrease its registered capital in accordance with the procedures stipulated in the Company Law as well as other relevant requirements and the Articles of Association.

**Article 25** The Company shall not repurchase its shares unless any of the following events occurs:

- (1) Reduction of registered capital of the Company;
- (2) Merger with other company holding shares of the Company;
- (3) Use of shares for the purpose of employees stock ownership scheme or equity incentive scheme;
- (4) Repurchase of the shares held by shareholders, who vote against any resolutions proposed in any general meeting on the merger or division of the Company, upon their request;
- (5) Conversion of shares into convertible corporate bonds issued by the Company that could be converted into shares;
- (6) Necessity of the Company to maintain corporate value and shareholders' interests.

The Company shall not repurchase its shares in other event than the above.

**Article 26** Any such repurchase shall be made through public centralized trading or other methods recognized by relevant laws, administrative regulations, the CSRC, the Hong Kong Listing Rules, and the securities regulatory authority of the places where the shares of the Company are listed.

Where the Company acquires its own shares under circumstances as mentioned in items (3), (5) or (6) under Article 25, it shall conduct by way of public centralized trading.

**Article 27** Any repurchase of shares of the Company under Article 25 (1) or (2) hereof shall be approved by the general meeting; any repurchase under Article 25 (3), (5) or (6) hereof shall be implemented after being approved by a resolution of the Board meeting attended by more than two thirds (2/3) of directors.

Upon any repurchase under Article 25 (1), the repurchased shares of the Company shall be deregistered within ten (10) days from the date of repurchase; upon any repurchase under Article 23 (2) or (4), such shares shall be transferred or deregistered within six (6) months from repurchase; upon any repurchase under Article 23 (3), (5) or (6), such shares shall be transferred or deregistered within three (3) years from the repurchase, provided that shares of the Company held by the Company in total shall not exceed 10% of the shares issued by the Company in total.

Notwithstanding the foregoing, if relevant laws, regulations, or the securities regulatory rules of the places where the shares of the Company are listed have any other provisions regarding the aforementioned matters related to the repurchase, the Company shall comply with such provisions. The repurchase of the Company's foreign shares listed overseas shall comply with the Hong Kong Listing Rules and other relevant laws, regulations, and regulatory requirements of the places where such foreign shares are listed.

### Section 3 Transfer of Shares

**Article 28** Shares of the Company may be transferred in accordance with laws.

**Article 29** The Company shall not accept its own shares as the subject matter of a pledge.

**Article 30** The shares of the Company held by subscribers shall not be transferred within one (1) year from the date of incorporation of the Company. The shares issued before the Company's public offering of shares shall not be transferred within one (1) year from the date when the Company's shares are listed and traded on the stock exchange.

Any director or senior management of the Company shall report his or her shareholding and any change thereof, the number of shares transferred by him or her every year shall not exceed 25% of the total number of Company shares held by him or her during his or her terms of office; shares of the Company held by him or her shall not be transferred within one (1) year from the date of the listing of shares of the Company on a stock exchange. Any director or senior management of the Company shall not transfer any shares of the Company held by him or her within half a year after he or she terminates service with the Company.

If there are any other provisions for the restrictions on the transfer of shares under the laws, regulations or governing rules of the places where the shares of the Company are listed, such provisions shall prevail.

**Article 31** All fully paid H shares can be transferred at freedom under the Articles of Association, provided that the following conditions are satisfied, or else the Board of Directors may reject any transfer instrument without any reason:

- (1) Any transfer instrument and other documents relating to or influencing the ownership of any H share shall be registered, with relevant cost paid to the Company at the criteria under the Hong Kong Listing Rules, the amount of which shall not exceed the maximum cost specified by the Hong Kong Listing Rules from time to time;
- (2) The transfer instrument only involves H shares;
- (3) The transfer instrument has paid the due stamp duty;
- (4) The share certificate and other evidence reasonably required by the Board of Directors to prove the transferor has the right of share transfer shall be provided;
- (5) When the shares are to be transferred to joint holders, there are not more than four (4) joint shareholders registered of such shares;
- (6) Relevant shares are free from all liens of the Company.

If the Board of Directors rejects the application for the registration of shares transfer, the Company shall, within two (2) months upon the duly submission of transfer application, deliver a proof of such rejection to the transferor and the transferee.

**Article 32** All transfers of overseas listed foreign shares listed in Hong Kong shall be accompanied with a written transfer instrument in ordinary or common format or in the format acceptable to the Board of Directors (including the standard transfer format or transfer form specified by the Hong Kong Stock Exchange from time to time); the written transfer instrument may be signed by hand or affixed with the effective corporate seal (if the transferor or the transferee is a corporate entity). If the transferor or the transferee is a recognized clearing house defined under the Hong Kong laws effective from time to time (the “**Recognized Clearing House**”) or its agent, the transfer form may be signed by hand or in machine-imprinted format. All transfer instruments shall be archived at the legal address of the Company or other address designated by the Board of Directors from time to time. If laws, regulations and the securities regulatory authority of the place where the Company’s shares are listed provide that other methods may be adopted, the Company may also adopt other methods.

#### **Section 4 Share Certificate and Register of Shareholders**

**Article 33** The share certificates of the Company shall be in registered form. In addition to the particulars provided in the Company Law, the share certificates of the Company shall contain other particulars required by the stock exchange on which the shares of the Company are listed.

Foreign shares issued by the Company may take the form of overseas depository certificates or other derivatives of share certificates according to local laws and securities registration and depository practice of the places where the shares of the Company are listed.

If the share capital of the Company includes shares without voting rights, such shares shall be worded “without voting rights”.

**Article 34** The Company establishes a register of shareholders and registers shareholders based on the certificates provided by the securities registrars and in accordance with laws, regulations, normative documents, and the Hong Kong Listing Rules. The register of shareholders is adequate evidence of the shareholders’ shareholding in the Company.

The Company shall timely update the register of shareholders to reflect any change of information.

**Article 35** The Company may deposit the register of holders of overseas listed foreign shares and entrust the administration thereof to an overseas agency in accordance with the understanding and agreement reached between the securities regulatory authorities by the State Council and the overseas securities regulatory authorities. The original register of holders of overseas listed foreign shares listed in Hong Kong shall be deposited in Hong Kong.

The Company shall deposit a copy of the register of holders of overseas listed foreign shares at its domicile; the entrusted overseas agency shall at any time ensure the consistency between the original and the copy of the register of holders of overseas listed foreign shares. In case of any discrepancy between the original and the copy, the original shall prevail.

**Article 36** The Company shall keep a complete register of shareholders and be available for inspection by shareholders.

A register of shareholders shall include the following parts:

- (1) The register of shareholders deposited with the domicile of the Company, other than specified under Article 36 (2) or (3);
- (2) The register of holders of overseas listed foreign shares of the Company deposited in the locale of the stock exchange where such foreign shares are listed; and
- (3) The register of shareholders deposited at other place decided by the Board of Directors.

The change or correction of any part of the register of shareholders shall be carried out in line with the laws of the locale where such part of register is kept.

**Article 37** If there are any provisions under the laws, regulations or the securities regulatory authorities and the stock exchange(s) where the Company's shares are listed on the period during which the register of shareholders is closed before the general meeting or before the benchmark date on which the Company decides to distribute dividends, such provisions shall prevail.

**Article 38** When the Company convenes the general meeting, distributes dividends, proceeds to liquidation or makes other act that requires confirmation of the shareholder's identity, the Board of Directors or caller of general meeting shall determine the equity registration date and the registered shareholders as at the equity registration date are shareholders entitled to relevant interests.

**Article 39** Any person who disagrees with the register of shareholders and asks for recording its name in the register of shareholders or asks for deleting its name from the register of shareholders may apply to local competent court for correction of register of shareholders.

## **CHAPTER 4 SHAREHOLDERS AND GENERAL MEETING**

### **Section 1 Shareholders**

**Article 40** A shareholder is entitled and obliged in proportion to the class and percentage of shares held by it; different shareholders holding the same class of shares are entitled and obliged equally.

**Article 41** A holder of ordinary shares of the Company is entitled to:

- (1) Receive dividends and other forms of distribution in proportion to its shareholding;
- (2) Request, convene, preside over, attend the general meeting by person or by proxy, speak at the general meeting and vote at the meeting with the number of shares held by it;
- (3) Supervise the business operation of the Company, and give suggestions or inquiries;

- (4) Transfer or pledge the shares held by it in accordance with the laws, regulations and the Articles of Association;
- (5) Inspect the Articles of Association, register of shareholders, corporate bond stubs, minutes of general meeting, resolutions of Board meeting and financial statements;
- (6) Take part in the distribution of the remaining properties of the Company in proportion to its shareholding, at the time of dissolution or winding up of the Company;
- (7) With respect to shareholders who disagree with the resolution of merger or division of the Company at the general meeting, the right to demand the Company to repurchase shares of the Company held by it;
- (8) Other rights hereunder or under relevant laws, regulations, and governing rules of the places where the shares of the Company are listed.

**Article 42** If a shareholder proposes to consult the relevant information mentioned in the preceding article or request materials, it shall provide the Company with a written document certifying the class and number of shares held in the Company, and the Company shall provide such information or materials as required by the shareholder after verifying the identity of the shareholder.

When an application for access to the register of shareholders is received during the closure of the register of shareholders, a document signed by the Company secretary shall be issued to the applicant, explaining the approving authority and the period of the closure of the register of shareholders.

**Article 43** A shareholder of ordinary shares of the Company shall be obliged to:

- (1) Comply with laws, regulations and the Articles of Association;
- (2) Contribute to the share capital according to the number of shares subscribed and the method of subscription;
- (3) Not to withdraw its contribution to share capital, except for the circumstances stipulated by laws and regulations;
- (4) Not to abuse its rights as a shareholder against the interests of the Company or other shareholders, and not to abuse the legal personality of the Company and the limited liability of shareholders against the interests of creditors of the Company; and
- (5) Other obligations in accordance with the laws, regulations, governing rules of the places where the shares are listed and the Articles of Association.

A shareholder who misuses its rights and causes any loss to the Company or other shareholders shall be liable for compensation in accordance with the laws. A shareholder who misuses the legal personality of the Company and the limited liability of shareholders to evade debts and severely harm the interest of creditors of the Company shall be jointly and individually liable for the debts of the Company.

**Article 44** The controlling shareholder or actual controller of the Company shall not use the connected relations to prejudice the interest of the Company; otherwise, it shall be liable for compensation for the loss suffered by the Company.

The controlling shareholder or actual controller of the Company shall owe fiduciary duties towards the Company and the other shareholders. The controlling shareholder shall strictly exercise its rights as contributor, and shall not prejudice the lawful interest of the Company or the other shareholders by means of profit distribution, asset restructuring, foreign investment, capital occupation, borrowing guarantee or others, and shall not misuse its controlling position against the interest of the Company and the other shareholders.

**Article 45** Any shareholder may apply to the local court for invalidating any resolution made at the general meeting or by the Board of Directors, which violates the laws or regulations.

Any shareholder may ask the local court to reject any resolution made at the general meeting or by the Board of Directors within sixty (60) days from the date of such resolution whose proceeding or voting is in breach of relevant laws, regulations or the Articles of Association, or whose content is against the Articles of Association.

**Article 46** The shareholder(s) individually or jointly holding 1% or more shares of the Company for consecutively one hundred and eighty (180) days or longer may request the Audit Committee in writing to institute legal proceedings to the local court, if any director or senior management other than members of the Audit Committee works in breach of relevant laws, regulations or the Articles of Association, causing loss to the Company; such shareholder(s) may also request the Board of Directors in writing to institute legal proceedings to the local court, if the Audit Committee works in breach of relevant laws, regulations or the Articles of Association, causing loss to the Company.

Shareholder(s) provided in the preceding paragraph may directly institute legal proceedings to the local court in its own name, in the interests of the Company, if the Audit Committee or the Board of Directors refuses to institute legal proceedings to local court after receipt of the foregoing shareholder's written request, or fails to institute legal proceedings within thirty (30) days after receipt of the written request, or in emergency when such failure to institute legal proceedings may cause irrecoverable damage to the interest of the Company.

Such shareholder(s) in the first paragraph of this article may institute legal proceedings to the local court under the preceding paragraphs of this article, if any person infringes on the lawful interests of the Company, causing loss to the Company.

**Article 47** A shareholder may institute legal proceedings to local court, if any director or senior management violates the laws, regulations or the Articles of Association, against the interests of shareholders.

## **Section 2 General Provisions of General Meeting**

**Article 48** The general meeting shall be the authority of power of the Company, to lawfully exercise the following functions and powers in accordance with the laws:

- (1) To elect or replace any director not being a representative of employees, and to determine the remuneration of said director;

- (2) To consider and approve the directors' report;
- (3) To consider and approve the Company's profit distribution plan and loss recovery plan;
- (4) To make a resolution on the increase or decrease of registered capital of the Company;
- (5) To make resolutions on the Company's issue of bonds or other securities and its listing plan;
- (6) To make resolutions on matters such as the merger, division, dissolution, liquidation or change of form of the Company;
- (7) To amend the Articles of Association;
- (8) To decide to engage, dismiss or discontinue the accountant firm as the auditor of the Company;
- (9) To consider and approve the external guarantees that require the approval of the general meeting under relevant laws, regulations and the Articles of Association;
- (10) To consider the Company's purchase or sale of major assets exceeding 30% of its latest audited total assets within one (1) year;
- (11) To consider and approve the change in use of proceeds;
- (12) To review the share incentive schemes and employees stock ownership schemes;
- (13) Other matters to be decided by the general meeting under relevant laws, regulations, governing rules of the places where the shares of the Company are listed and the Articles of Association.

The general meeting may authorize the Board of Directors to pass resolutions on the issuance of corporate bonds.

The Company may issue shares or convertible bonds by resolution of the general meeting, or by resolution of the Board of Directors authorized by the Articles of Association or the general meeting, and the implementation thereof shall comply with the provisions of relevant laws, administrative regulations, the CSRC, and the securities regulatory authority of the places of the Company where the shares are listed.

Where laws, regulations and governing rules of the places where the shares of the Company are listed have other mandatory provisions on the matters to be considered at the general meeting and the relevant approval standards, such provisions shall prevail. Except as otherwise provided by laws, administrative regulations and the CSRC or securities governing rules of the places where the shares of the Company are listed, the powers of the general meeting set forth above shall not be exercised by the Board of Directors or any other institution or individual by way of authorization.

**Article 49** Any of the following external guarantees shall be subject to the consideration of the general meeting for approval:

- (1) Any guarantee provided after the total amount of external guarantees of the Company and its controlled subsidiaries reaches or exceeds 50% of the latest audited net assets of the Company;
- (2) Any guarantee provided after the total amount of external guarantees of the Company exceeds 30% of the latest audited total assets of the Company;
- (3) Any guarantee provided by the Company within one (1) year with an amount exceeding 30% of the latest audited total assets of the Company;
- (4) Any guarantee provided for guarantors whose asset-liability ratio exceeds 70%;
- (5) Any guarantee whose single amount exceeds 10% of the latest audited net assets of the Company;
- (6) Any guarantee provided to shareholders, actual controller and their related parties/related persons;
- (7) Other guarantee events that shall be considered by the general meeting under relevant laws, regulations, the governing rules of the places where the shares of the Company are listed or the Articles of Association.

Any of the foregoing guarantees shall be considered by the general meeting, and upon the adoption by the Board of Directors, it can be submitted to the general meeting for consideration.

The Board of Directors may consider and approve the external guarantees other than the foregoing guarantees to be considered by the general meeting.

When the general meeting is considering any resolution of guarantee to a shareholder, actual controller and their related parties/related persons, such shareholder or the shareholder under the control of such actual controller shall not vote on this resolution, and such resolution is adopted when a majority of the voting rights held by the other shareholders present at the meeting.

**Article 50** Unless the Company is in a crisis and other special circumstances, without approval by the general meeting by way of special resolution, the Company shall not enter into a contract with any person other than director, general manager or other senior management of the Company, to authorize such person to manage all or some of important businesses.

**Article 51** General meetings consist of annual general meetings and extraordinary general meetings. Annual general meeting shall be held once a financial year, within six (6) months from the end of previous financial year.

**Article 52** The Company shall convene an extraordinary general meeting within two (2) months from the occurrence of any of the following events:

- (1) The number of directors is less than 5, the quorum of Board meeting under the Company Law, or less than two thirds (2/3) of the number of directors specified in the Articles of Association;
- (2) The unrecovered losses of the Company reach one third (1/3) of its total paid-in share capital;
- (3) At the request of shareholder(s) who individually or jointly hold not less than 10% shares with voting rights of the Company;
- (4) The Board of Directors deems it necessary;
- (5) The Audit Committee proposes to convene such a meeting;
- (6) Two or more independent non-executive directors propose such a meeting;
- (7) Other events under relevant laws, regulations or the Articles of Association.

The number of shares held by the shareholders specified in the preceding item (3) shall be the number of Company shares held by such shareholders on the very day of request in writing.

**Article 53** The venue of general meeting shall be the domicile, the business place of the Company or other place specified in the notice of meeting.

The meeting shall be convened on site. With the permission of the governing rules of the places where the shares are listed, it can also be held in other ways approved or required by such securities regulatory authority or stock exchange. A shareholder attending the meeting by any of the above means shall be deemed as present at the meeting.

### **Section 3 Call of General Meeting**

**Article 54** The Board of Directors shall call the general meeting within the prescribed time limit.

Subject to the consent of more than half of all independent non-executive directors, the independent non-executive directors may propose an extraordinary general meeting to the Board of Directors. In response to such proposal, the Board of Directors shall give a written reply approving or disapproving such proposal within ten (10) days from the proposal in accordance with provisions of laws, regulations and the Articles of Association. In case of approval, the Board of Directors shall send a notice of meeting within five (5) days from the resolution of the Board of Directors; in case of disapproval, the Board of Directors shall give out the reason and make an announcement.

**Article 55** The Audit Committee may propose an extraordinary general meeting in writing to the Board of Directors. Within ten (10) days from such proposal, the Board of Directors shall give a written reply approving or disapproving such proposal in accordance with provisions of laws, regulations and the Articles of Association.

In case of approval, the Board of Directors shall send a notice of meeting within five (5) days from the resolution of the Board of Directors, and any modification to the original proposal shall be effective with consent of the Audit Committee.

In case of disapproval, or failing to reply within ten (10) days from the proposal, the Board of Directors shall be deemed unable or failing to call the meeting, then the Audit Committee may call and chair a meeting on its own.

**Article 56** In the rule of one vote per share, the shareholder(s) individually or jointly holding at least 10% shares with voting rights of the Company may propose an extraordinary general meeting in writing to the Board of Directors, and may propose a motion in the meeting agenda. Within ten (10) days from the proposal, the Board of Directors shall give a written reply approving or disapproving such proposal in accordance with provisions of laws, regulations and the Articles of Association.

In case of approval, the Board of Directors shall send a notice of meeting within five (5) days from the resolution of the Board of Directors, and any modification to the original proposal shall be effective with consent of the proposing shareholder(s).

In case of disapproval, or failing to reply within ten (10) days from the proposal, the shareholder(s) individually or jointly holding at least 10% shares with voting rights of the Company may propose an extraordinary general meeting in writing to the Audit Committee.

To approve the proposal, the Audit Committee shall send a notice of meeting within five (5) days from the proposal, and any modification to the original proposal shall be effective with consent of said shareholder(s).

If the Audit Committee fails to send a notice of meeting before deadline, which will be deemed as a failure to call and chair the meeting, then the shareholder(s) individually or jointly holding at least 10% shares with voting rights of the Company for more than ninety (90) consecutive days may call and chair a meeting on its/their own.

**Article 57** To call a general meeting on its/their own, the Audit Committee or the shareholder(s) shall send a notice in writing to the Board of Directors. Prior to the announcement of the resolution of the general meeting, the calling shareholder(s) shall hold at least 10% shares with voting rights of the Company.

**Article 58** In case a general meeting is called by the Audit Committee or the shareholder(s) on their own, the Board of Directors and the Secretary shall cooperate. The Board of Directors shall provide the register of shareholders as at the equity registration date.

**Article 59** The necessary costs of a general meeting called by the Audit Committee or the shareholder(s) on their own shall be borne by the Company.

#### **Section 4 Motion and Notice of General Meeting**

**Article 60** The motion at general meeting shall be governed by the general meeting, with definite subjects and specific matters pending resolution, in compliance with relevant laws, regulations and the Articles of Association.

**Article 61** At the general meeting, the Board of Directors, the Audit Committee and the shareholder(s) individually or jointly holding at least 3% shares of the Company may propose a motion to the Company.

Unless otherwise specified herein, the shareholder(s) individually or jointly holding at least 3% shares of the Company shall submit the extraordinary motion to the caller within ten (10) days before the meeting. The caller shall send an addition notice of meeting within two (2) days after receiving the motion, specifying the content of motion.

Subject to the above provisions, the caller after sending a notice of meeting shall not modify the motion listed in the notice of meeting, or add a new motion.

The general meeting shall not vote or resolve on a motion not listed in the notice of meeting or not in compliance with Article 60 hereof.

**Article 62** The caller shall send a written notice to all shareholders within at least twenty (20) days prior to the convention of annual general meeting, or at least fifteen (15) days prior to the convention of extraordinary general meeting, unless otherwise required by relevant laws, regulations and the securities regulatory authority of the place where the Company's shares are listed.

The notice of meeting shall be sent by hand or by mail (prepaid postage) to the shareholder(s) (with or without voting rights at general meeting), addressed to the shareholder(s) as recorded in the register of shareholders, or subject to the applicable laws and regulations and the listing rules of the places where the shares of the Company are listed, published on the website of the Company and the website designated by the Hong Kong Stock Exchange. If an announcement shall be made to shareholders of overseas listed foreign shares according to the Articles of Association, the relevant announcement shall also be published in accordance with the methods prescribed in the Hong Kong Listing Rules. To the holders of domestic shares and unlisted foreign shares, the notice of meeting may also be sent by announcement.

The foregoing "twenty (20) days" or "fifteen (15) days" shall not include the date of meeting.

**Article 63** The notice of general meeting shall specify:

- (1) The time, place and duration of meeting;
- (2) The matters and proposals to be considered at the meeting;
- (3) The equity registration date of the shareholders entitled to attend the general meeting;
- (4) In clear words that all ordinary shareholders (including preferred shareholders whose voting rights are restored) are entitled to attend the general meeting and may appoint a proxy to attend and vote on their behalf. The proxy does not need to be a shareholder of the Company;
- (5) The name and phone number of permanent contact person for the meeting;
- (6) Other requirements under the laws, regulations, governing rules of the places where the shares of the Company are listed and the Articles of Association.

The notice or the additional notice of meeting shall fully, completely disclose all details of all motions, and (if the matters to be considered require the opinions of independent non-executive directors) the opinions and reason of the independent non-executive directors shall be accompanied at the same time.

**Article 64** If the Company is required to send relevant documents in both English and Chinese by mail, by hand, by announcement or other means under the governing rules of the places where the shares of the Company are listed, and if the Company has already made proper arrangements to make sure whether its shareholders are willing to receive such documents merely in English or merely in Chinese, then within the permission of applicable laws and regulations, the Company may on the demand of shareholders send the English version merely or the Chinese version merely to relevant shareholders.

**Article 65** For the motion on election of a director at the general meeting, the notice of meeting shall fully disclose the detailed information of the director candidate, including but not limited to:

- (1) Personal information such as educational background, work experience, part-time jobs;
- (2) Any connection with the Company or its controlling shareholder or actual controller;
- (3) The number of shares held in the Company;
- (4) Any punishment by the CSRC or other authority or the stock exchange.

Save as election of directors by cumulative voting system, each director candidate shall be proposed in a single motion.

**Article 66** Once the notice of meeting is sent out, without a justifiable reason, the general meeting shall not be postponed or canceled, and any motion listed in the notice shall not be canceled. In order to postpone or cancel, the caller shall give a prior notice in writing at least two (2) working days before the planned date of meeting. In order to change the venue or time of meeting, the Company shall give a prior notice to shareholders adequately.

### **Section 5 Convention of General Meeting**

**Article 67** The Board of Directors and other callers shall take necessary measures to ensure the normal order of meeting, and shall stop any act disturbing, harassing or infringing on the lawful rights of shareholders, and timely report to competent authority for punishment.

**Article 68** All registered ordinary shareholders (including preferred shareholders whose voting rights are restored) as at the equity registration date shall attend and vote by person or by proxy at the general meeting or the creditors' meeting hereunder or under relevant laws and regulations.

A shareholder may attend and vote in person or appoint a proxy to attend and vote at the general meeting or the creditors' meeting on his/her/its behalf.

**Article 69** A shareholder shall appoint its proxy in writing, the proxy form shall be signed by the appointing shareholder or by the proxy; if the appointing shareholder is a legal person, the proxy form shall be completed with the legal person's seal or the proxy's signature.

If the shareholder is a recognized clearing house or its agent in the place where shares of the Company are listed, then the shareholder may appoint one or more natural person or legal person as it deems appropriate to represent it at any general meeting or any creditors' meeting; however, if more than one persons are appointed as proxies, then the proxy form shall specify the name of every proxy, the number and class of shares involved, and the proxy form shall be signed by a person authorized by the recognized clearing house. The person so authorized may represent the recognized clearing house (or its agent) to attend the meeting (without presenting the certificate of shares, the notarized authorization and/or further evidence to prove its due authorization), exercise its rights and enjoy the lawful rights equal to other shareholders, including the right to speak and vote.

**Article 70** A shareholder being a natural person shall present its personal identity card or other valid certificate of identity, in order to attend the meeting by person; and a proxy of shareholder attending the meeting shall present the valid identity certificate of the proxy and the proxy form issued by the appointing shareholder.

A shareholder being a legal person shall be represented by the legal representative or the effective proxy of such legal person shareholder in presence and voting at any meeting. Any presence of a legal person shareholder at any meeting shall be deemed as its presence by person. The legal person shareholder shall sign a proxy form for its duly authorized proxy. The legal representative of a legal person shareholder to attend the meeting shall present its personal identity card, valid certificate of its legal representative status; and the proxy of a legal person shareholder to attend the meeting shall present its personal identity card, the written proxy form issued duly by the legal representative or authorized representative of the legal person shareholder (unless the shareholder is a recognized clearing house or its agent in the place where shares of the Company are listed).

**Article 71** The proxy form issued by a shareholder for a general meeting shall specify:

- (1) The name of the proxy;
- (2) The amount of shares represented;
- (3) Whether there are voting rights;
- (4) Instructions for voting for, against or abstaining from voting on each matter to be considered on the agenda of general meeting;
- (5) Whether there are voting rights on the temporary motions to be included in the agenda of general meeting, and if so, specific instructions on which voting rights shall be exercised by the proxy;
- (6) The date and validity of the proxy form;
- (7) If there are more than one proxy, the proxy form shall specify the number of shares represented by each proxy; and
- (8) The signature (or seal) of the appointing shareholder; and if the appointing shareholder is a legal person, the seal of the legal person shall be affixed.

The proxy form issued by the Board of Directors for a shareholder to appoint a proxy shall be in such a format that the shareholder has the freedom to indicate its proxy to vote for or against a motion, and give respective instructions to every subject matter of voting. The proxy form shall specify whether the proxy may vote at will when the shareholder gives no instruction.

**Article 72** If the proxy voting authorization letter is signed by other person authorized by the appointing shareholder, such proxy voting authorization letter or other authorization documents shall be notarized to be effective. The notarized proxy voting authorization letter or other authorization documents, together with the proxy form, shall be deposited in the Company domicile or other place specified in the notice of meeting.

If the appointing shareholder is a legal person, then its proxy to attend the general meeting shall be the legal representative, or other person authorized by the Board of Directors or other decision-making body.

If the appointing shareholder is deceased, incapacitated, or has withdrawn the appointment, or has withdrawn the authorization or the underlying shares are already transferred, then the proxy voting will be valid if only the Company has not received a written notice of such event before the meeting.

**Article 73** The register of participants at the meeting will be prepared by the Company, specifying the name (or name of organizations), personal identity card number, home address, the number of shares with voting rights held or represented, name of appointing shareholder (or name of organizations) and others.

**Article 74** The caller shall verify the legality of shareholders' capacity according to the register of shareholders, and record the name of shareholders and the number of shares with voting rights held. Before the chair of meeting announces the number of present shareholders and/or proxies and the total number of shares with voting rights, the meeting registration shall stop.

**Article 75** When a general meeting is held, all directors and the secretary to the Board of Directors of the Company shall attend the meeting, and the general manager and other senior management shall attend the meeting as non-voting delegates.

**Article 76** Chairman of the Board of Directors will chair the general meeting. When the Chairman is unable or fails to perform its duties, the majority of directors shall elect one of them to chair the meeting; if the chair of meeting is not elected, the present shareholders may elect one of them to be the chair of meeting. If for any reason the shareholders fail to elect a chair for the meeting, then the shareholder or proxy representing the most voting rights present at the meeting shall chair the meeting.

A general meeting called by the Audit Committee on its own shall be chaired by the Chairman of the Audit Committee. If the Chairman of the Audit Committee is unable or fails to perform its duties, then the majority of Audit Committee members may elect one of them to chair.

A general meeting called by shareholders on their own shall be chaired by a representative recommended by the caller.

At the meeting, if the chair of meeting breaks the proceeding rules and causes the meeting unable to continue, then with consent of shareholders with the majority of voting rights present at the meeting, the shareholders may recommend one of them to chair and continue the meeting.

**Article 77** The Company shall develop the proceeding rules of general meeting, detailing the procedures for convening and voting, and the proceeding rules of general meeting shall be attached to the Articles of Association, which are contemplated by the Board of Directors and approved by the general meeting.

**Article 78** At annual general meeting, the Board of Directors and the Audit Committee shall report their previous year's work performance to the general meeting, and each independent non-executive director shall also report their work.

**Article 79** Directors and senior management of the Company shall give explanations and clarifications on the inquiries and suggestions of shareholders at the general meeting.

**Article 80** The chair of meeting shall announce the number of shareholders and proxies present at the meeting and the total number of shares with voting rights before voting, based on the meeting registration.

**Article 81** The secretary shall keep the minutes of general meeting, which contains:

- (1) The time, place, agenda and caller's name of the meeting;
- (2) The name of chair, present or attending directors, general manager and other senior management of the Company;
- (3) The number of shareholders and proxies present at the meeting, the total number of shares with voting rights held and its proportion to the total number of shares of the Company. In particular, the voting status of domestic shareholders and unlisted foreign shareholders (including proxies) and domestically listed foreign shareholders (including proxies) attending the general meeting shall be stated respectively;
- (4) The consideration process, speech key points and voting results of each motion. In particular, the voting status of domestic shareholders and unlisted foreign shareholders (including proxies) and domestically listed foreign shareholders (including proxies) attending the general meeting shall be stated respectively;
- (5) Shareholders' inquiries or suggestions and corresponding replies or explanations;
- (6) The name of counter and scrutineer;
- (7) Others to be recorded in the minutes of meeting hereunder.

**Article 82** The caller shall ensure that the minutes of meeting are true, accurate and complete, with signatures of directors, secretary, the caller or its representative, and the chair of meeting. The minutes of the meeting shall be kept at the Company domicile together with the signature book of shareholders attending the meeting, the proxy forms, and valid information on voting by other means, for a period of not less than ten (10) years.

**Article 83** The caller shall ensure the general meeting continues until a final resolution is made. If the general meeting is suspended or fails to make a resolution for special reasons such as force majeure, necessary measures shall be taken to resume the meeting as soon as possible or directly terminate this meeting, and notify all shareholders in a timely manner.

## **Section 6 Voting and Resolution of General Meeting**

**Article 84** There are ordinary resolutions and special resolutions at general meeting.

An ordinary resolution of general meeting shall be validated by at least one-half voting rights held by the present shareholders and/or proxies.

A special resolution of general meeting shall be validated by at least two thirds (2/3) voting rights held by the present shareholders and/or proxies, unless a higher voting percentage is required hereunder.

**Article 85** Matters for resolution of general meeting

Unless otherwise required hereunder or under relevant laws or regulations, the following matters may be concerned in an ordinary resolution of general meeting:

- (1) The work report of the Board of Directors;
- (2) The profit distribution plan and loss recovery plan contemplated by the Board of Directors;
- (3) The dismissal of directors, and their remuneration and payment;
- (4) The annual budget, final accounts report of the Company and annual report of the Company;
- (5) Other matters to be validated by a special resolution hereunder or under relevant laws or regulations.

The following matters may be concerned in a special resolution of general meeting:

- (1) The increase or decrease of share capital, the issue of any class of share certificate, warrants and other similar securities of the Company;
- (2) Any modification to the Articles of Association;
- (3) Issue of corporate bonds, listing of securities of the Company;
- (4) The merger, division, dissolution or liquidation or change the form of the Company;
- (5) The purchase or sale of major assets within one (1) year, or the guarantee in an amount exceeding 30% of the Company's latest audited total assets, except for the Company's daily business operations or the provision of guarantees for the Company and its wholly-owned subsidiaries;
- (6) The equity incentive scheme of the Company;
- (7) Before the term of Board of Directors expires, the Company changes more than one fourth (1/4) directors in that year;

- (8) Upon expiry of the Board of Directors, over one third (1/3) of directors are changed by the Company; and
- (9) Other matters to be considered in a special resolution of general meeting, which might have major impact on the Company if concerned in an ordinary resolution of general meeting, hereunder or under relevant laws or regulations.

In particular, when the general meeting considers the purchase or sale of assets, rented or leased assets, gifted assets, connected transactions, external investments, external guarantees or mortgages, financial assistance, claims or debts restructuring, commissioned/entrusted operation or other motions submitted by the acquirer for the purpose of hostile takeover, a resolution shall be validated by at least three fourths (3/4) voting rights held by shareholders present at the meeting.

Any motion to modify the Article 85 (2) and (3) hereof at the general meeting shall also be validated by at least three fourths (3/4) voting rights held by present shareholders.

A connected shareholder shall not vote in respect of any motion on connected transactions at the general meeting, where the number of shares with voting rights represented by such connected shareholder shall not be counted in effective voting; a resolution of general meeting shall fully disclose the voting of non-connected shareholders.

**Article 86** A shareholder or proxy shall exercise its voting rights represented by the shares with voting rights held by it, one vote per share.

The shares held by the Company have no voting rights, and such shares are not counted in voting.

**Article 87** The Company shall provide all conveniences for the shareholders to attend the general meeting, by all means, on the premise of ensuring the legality and effectiveness of the general meeting.

**Article 88** The list of director candidates shall be submitted as motions to the general meeting for voting.

The director candidates shall be nominated in the following manners and procedures:

- (1) The current Board of Directors, or the shareholder(s) individually or jointly holding at least 3% shares of the Company for three hundred and sixty-five (365) days or longer, may nominate a list of director candidates (excluding independent non-executive directors) or additional director candidates (not more than the number of directors to be elected) to the next term of Board of Directors, while the current Board of Directors will review the qualifications, and if the candidates meet the qualifications, the Board of Directors will submit the list to the general meeting for voting.

- (2) The current Board of Directors, the Audit Committee or the shareholder(s) individually or collectively holding at least 1% shares of the Company for three hundred and sixty-five (365) days or longer, may nominate a list of independent non-executive director candidates to the general meeting, while the current Board of Directors will review the qualifications, and if the candidates meet the qualifications, the Board of Directors will submit the list to the general meeting for voting.
- (3) The above-mentioned motions submitted to the caller of general meeting by the Board of Directors, the Audit Committee and the shareholders entitled to nominate shall contain the identity certificate, biography and basic information about director candidates; the Board of Directors shall disclose the biographical details and basic information about the director candidates before the meeting.

**Article 89** Upon voting on the election of directors at the general meeting, the cumulative voting system may be adopted in accordance with the provisions of the Articles of Association or the resolutions of the general meeting.

The cumulative voting system referred to in the preceding paragraph means each share, when voting to elect directors at the general meeting, carries the number of voting rights equivalent to the number of directors to be elected, and a shareholder may concentrate his/her/its voting rights.

**Article 90** Other than the cumulative voting system, the general meeting shall vote on all proposals one by one. If there are different proposals for the same matter, voting shall be proceeded in the chronological order of the proposals being put forward. Other than special reasons such as force majeure that results in the interruption of the meeting or makes it impossible to come to resolution, the general meeting shall not set aside any proposal and shall vote on them.

**Article 91** In considering a motion, the general meeting shall not modify the motion; or else, a modification shall be deemed as a new motion, and shall not be subject to voting at this meeting.

**Article 92** The same voting right may only be exercised on site or by any other means. If the same voting right is exercised for more than one time, the first time vote would be effective.

**Article 93** The general meeting shall be taken by way of registered poll.

**Article 94** Before voting at general meeting, two shareholder representatives shall be appointed to be counter and scrutineer respectively. If a shareholder is interested in the subject matter, such shareholder or its proxy shall not be appointed as counter or scrutineer.

In a voting at general meeting, shareholder representatives shall count and scrutinize the votes, and publish the voting results on site. The voting results will be included in the minutes of meeting. If there are any other provisions for the method of counting and scrutinizing the votes under relevant laws, regulations or other normative documents, as well as the governing rules of the places where the Company's shares are listed, such provisions shall prevail.

**Article 95** The ending time of general meeting on site shall not be earlier than that by other means, where the chair of meeting shall announce the voting status and results of every motion, and announce whether the motion is passed or not according to the voting results.

Before publishing the voting results officially, the Company, the counter, the scrutineer, significant shareholders and other stakeholders at the general meeting on site or by other means shall be liable for the confidentiality of such voting.

**Article 96** Shareholders present at general meeting shall give any of the following opinions to a motion: vote for, vote against, or abstain.

The unfilled, wrongly filled, unrecognizable votes, and unvoted votes shall be deemed as abstention by the voter, and the voting result of the number of shares held by such voter shall be counted as “abstention”.

If any shareholder is required by the governing rules of the places where the shares of the Company are listed to give up its voting rights in respect of a resolution, or if any shareholder is restricted thereby and can only vote for (or against) a resolution, then such shareholder or its proxy in breach of the foregoing requirement or restriction shall not be counted in the voting.

**Article 97** If the chair of meeting has any doubt about the voting results, a recounting of votes can be organized; if there is no recounting and a shareholders or proxy has any doubt on the chair’s announced results, then such shareholder or proxy may ask for a recounting immediately after the announcement of voting results, while the chair of meeting shall organize the recounting immediately. The results of recounting will be included in the minutes of meeting.

**Article 98** A resolution at general meeting shall specify the number of shareholders and proxies present at the meeting, the total number of shares held with voting rights, percentage in the total number of Company shares with voting rights, mode of voting, the voting results to each motion, and the details of resolutions.

**Article 99** A rejected motion or a modification to a resolution made at previous general meeting shall be mentioned specially in the current resolution.

**Article 100** If a motion of director election is adopted at general meeting, then the new director shall take office on the very day of adoption. However, in the event of re-election of directors, if the expiry of term of former directors is later than the date of resolution adopted at the general meeting, then new directors shall take office from the next day upon expiry of predecessor’s term.

**Article 101** If the proposal on cash distribution, bonus issue or conversion of capital reserve into share capital is passed at the general meeting, the Company shall implement the specific plan within two (2) months after the conclusion of the general meeting.

## CHAPTER 5 BOARD OF DIRECTORS

### Section 1 Directors

**Article 102** Directors are elected or changed at general meeting, and may be dismissed by the general meeting before expiry of their term.

A director's term is three (3) years. A director is subject to re-election upon expiry of his/her term.

A director's term starts from the date of taking office, to the expiry of current Board of Directors. Before the Board of Directors expires, excluding the director(s) incompetent for the job under relevant laws, regulations and the Articles of Association, every year the number of changed directors shall not be more than one fourth (1/4) of the total number of directors; upon expiry of Board of Directors, if some directors need to be replaced, then the number of new directors shall not be more than one third (1/3) of the total number of directors.

Upon expiry of a director, if new director is not elected, then the expiring director shall continue to perform its duties before the new director takes office under the laws, regulations and the Articles of Association. Any person appointed by the Board of Directors to be a director to fill a temporary vacancy or to add a new place in the Board shall take office til the first annual general meeting after appointment, and may then be eligible for re-election.

**Article 103** Directors may be concurrently held by the general manager or other senior management, but the directors who concurrently serve as the general manager or other senior management and the directors who are employee representatives shall not exceed one-half (1/2) of the total number of directors of the Company. A director whose term is not expiring shall be liable for any loss incurred by the Company due to its unauthorized leave or resignation from the Company.

Subject to relevant laws, regulations and the Articles of Association, the general meeting may dismiss any non-expiring director, provided that the general meeting shall not dismiss a director without a justifiable reason, and such dismissal shall not influence such director's claim for damages by any contract.

If a director fails to attend the Board meeting by person or by proxy for two consecutive times, it will be deemed as inability to perform duties, then the Board of Directors may propose a dismissal and replacement of such director to the general meeting.

**Article 104** No director shall act on behalf of the Company or the Board of Directors in his/her personal capacity, unless specified under the Articles of Association or legally authorized by the Board of Directors. In the event that a director is acting in his/her personal capacity, but may be reasonably deemed to be acting on behalf of the Company or the Board of Directors by a third party, such director shall state his/her stance and capacity in advance.

**Article 105** A director may resign before expiry of its term, by sending a resignation letter in writing to the Board of Directors.

If such resignation causes the number of directors to be lower than the quorum of Board meeting, then before a new director takes office, the resigning director shall continue to perform its duties under relevant laws, regulations and the Articles of Association.

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

**Article 106** When a director's resignation becomes effective or its term of office expires, the director shall complete all handover procedures to the Board of Directors. Its obligation of loyalty to the Company and shareholders will not be relieved ex officio after the resignation takes effect or after the term ends, and its obligation of confidentiality in respect of the Company's business secrets remains valid, until such secrets become public information. The validity period of other obligation shall be determined on the basis of fairness.

**Article 107** A director who violates laws, regulations or the Articles of Association while performing its duties, causing losses to the Company, shall be liable for compensation.

**Article 108** The Company has independent non-executive directors. The independent non-executive director system shall comply with relevant laws, regulations, the Articles of Association and the listing rules of the places where the shares of the Company are listed.

## **Section 2 Board of Directors**

**Article 109** The Company shall have a Board of Directors, which reports to the general meeting.

**Article 110** The Board of Directors consists of twelve (12) directors, including four (4) independent non-executive directors, at least one (1) of whom shall have appropriate professional qualifications, or appropriate accounting or related financial management expertise. The Company has at least one (1) independent non-executive director resident in Hong Kong.

**Article 111** The Company may have (but not necessarily have) one (1) board observer, who is nominated by shareholders and elected by the general meeting. Observer may attend the meeting of the Board of Directors and express opinions on Board issues, but not participate in Board voting. Observer is subject to the same confidentiality, insider trading restrictions, and conflict of interest policies and procedures as Board members. Observer serves a 3-year term and may be re-elected upon expiry. The resignation of the board observer shall be submitted with a written resignation report to the Board of Directors, which shall take effect when such report is delivered to the Board of Directors.

**Article 112** The Board of Directors shall exercise the following functions and powers to:

- (1) Call a general meeting, submit relevant matters to the general meeting for approval, and report its work performance to the general meeting;

- (2) Implement the resolutions of general meeting;
- (3) Decide on the business plan and investment plan of the Company;
- (4) Develop the annual budget and final accounts of the Company;
- (5) Develop the profit distribution plan and loss recovery plan of the Company;
- (6) Develop the plan to increase or decrease the registered capital of the Company;
- (7) Develop the plans of corporate bond issue or securities listing of the Company;
- (8) Develop the plans of merger, division, dissolution or change of nature of the Company;
- (9) Develop the plan of transactions in which the Company purchase or sell major assets exceeding 30% of its latest audited total assets;
- (10) Decide on the establishment of the Company's internal management organization and the establishment of branch offices;
- (11) Decide on the appointment or dismissal of general manager or secretary; based on the nomination of general manager, appoint or dismiss vice general manager, chief financial officer and other senior management, and decide on their remuneration, rewards and punishments;
- (12) Develop the basic management system of the Company;
- (13) Develop the compensation and incentive system of the Company;
- (14) Develop the plan to modify the Articles of Association of the Company;
- (15) Propose to the general meeting for appointment or replacement of the accountant firm which is responsible for the auditing of the Company;
- (16) Make any of the following transactions (by single transaction or by a series of continuous transactions) occurred within the scope of the Company's consolidated statements, or sign, modify, or terminate any agreement relating to such transactions:
  - (A) Beyond the approved annual budget, a single debt or expense in the amount exceeding RMB30,000,000 (in words: Renminbi Thirty Million Yuan Only) or a combination of debts or expenses in the yearly cumulative amount exceeding RMB100,000,000 (in words: Renminbi One Hundred Million Yuan Only), including provision of borrowings, acquisition of loans, provision of guarantees, and purchase of real estate;

- (B) Beyond the approved annual budget, the sale, mortgage, pledge or otherwise sale or disposal of assets, business or equities, to a third party beyond the consolidated statements in a single amount exceeding RMB30,000,000 (in words: Renminbi Thirty Million Yuan Only) or in a yearly cumulative amount exceeding RMB100,000,000 (in words: Renminbi One Hundred Million Yuan Only);
  - (C) Beyond the approved annual budget, a single non-routine business operation contract with any third party beyond the consolidated statements, in a single amount exceeding RMB30,000,000 (in words: Renminbi Thirty Million Yuan Only) or in a yearly cumulative amount exceeding RMB100,000,000 (in words: Renminbi One Hundred Million Yuan Only);
- (17) Decide on the external guarantee matters of the Company that are beyond the scope of consideration at the general meeting;
  - (18) Manage information disclosure in accordance with laws, regulations, the Hong Kong Listing Rules and the Company's relevant rules and systems;
  - (19) Decide on the establishment of the Company's subsidiaries and branches, and develop the reorganization plan for its controlled subsidiaries;
  - (20) Listen to the work report of the general manager of the Company, and inspect the work of the general manager of the Company;
  - (21) Examine and approve/disapprove the connected transactions to be considered by the Board of Directors under the laws, regulations, governing rules of the stock exchange where the shares of the Company are listed and the Articles of Association;
  - (22) In order to ensure the continued stability of the Company's operation and management, and safeguard the overall and long-term interests of the Company and its shareholders, in the event of a hostile takeover, take anti-takeover measures that are not prohibited by laws and regulations and do not harm the lawful rights and interests of the Company and shareholders;
  - (23) Other powers conferred by the Articles of Association or by the general meeting; and
  - (24) Other matters that shall be decided by the Board of Directors under the laws, regulations and governing rules of the places where the shares of the Company are listed or the Articles of Association.

Any subject beyond the authority of general meeting shall be submitted to general meeting for consideration.

**Article 113** The Board of Directors shall explain to the general meeting the non-standard audit opinions issued by the accountant firm on the Company's financial reports and statements.

**Article 114** The Board of Directors shall develop the proceeding rules of the Board of Directors, so that the Board of Directors may implement the resolutions of general meeting, improve work efficiency, and ensure scientific decision-making.

The proceeding rule of the Board of Directors shall regulate the opening and voting procedures of the Board of Directors, serving as attachment to the Articles of Association, to be drafted by the Board of Directors, subject to approval of the general meeting.

**Article 115** The Board of Directors shall determine the authority for external investment, acquisition and sale of assets, asset mortgage, external guarantees, commissioned wealth management, and connected transactions, and establish strict review and decision-making procedures; major investment projects shall be reviewed by relevant experts and professionals, subject to approval of the general meeting.

**Article 116** There is one (1) chairman but no vice-chairman of the Board of Directors; the chairman shall be elected or dismissed by the majority of Board of Directors. The chairman has a 3-year term and may be re-elected.

**Article 117** Chairman of the Board of Directors shall exercise the following functions and powers to:

- (1) Preside over the general meeting, convene and preside over the meeting of the Board of Directors;
- (2) Supervise and inspect the implementation of the resolutions of the Board of Directors;
- (3) Sign corporate share certificates, corporate bonds and other negotiable securities;

- (4) Sign important documents of the Board of Directors and other documents to be signed by the legal representative of the Company;
- (5) Exercise the powers of the legal representative;
- (6) In the force majeure event, e.g. severe natural disaster, exercise the special right to dispose of the Company's affairs in line with legal provisions and the Company's interests, and report to the Board of Directors and the general meeting after the event; and
- (7) Other powers delegated by the Board of Directors.

**Article 118** If the chairman of the Board of Directors is unable or fails to perform its duties, then the majority of directors shall elect one (1) of them to perform the duties.

**Article 119** Board meetings include regular meetings and extraordinary meetings. Regular meetings are held at least four (4) times a year. Chairman of the Board of Directors, shareholders representing more than one tenth (1/10) of the voting rights, more than one third (1/3) of the directors, more than one half (1/2) of the independent non-executive directors, the general manager or the Audit Committee may propose an extraordinary meeting. The chairman shall call and chair the meeting within ten (10) days after receiving the proposal.

**Article 120** To hold a regular meeting, the Board of Directors shall send a 14-day prior notice in writing; to hold an extraordinary meeting, the Board of Directors shall send a 5-day prior notice in writing. The notice of meeting shall specify:

- (1) The date and place of meeting;
- (2) The duration of the meeting;
- (3) The reasons and subjects; and
- (4) The date of notice.

The above notice period may be waived at the discretion of the Board of Directors. Any directors present at the meeting who do not raise any objection to their non-receipt of the notice before or at the beginning of the meeting shall be deemed to have received the notice of meeting.

**Article 121** A meeting of the Board of Directors can only be held when the majority of directors are present. Unless otherwise provided by the Articles of Association, resolutions made by the Board of Directors shall be validated by the majority of directors.

One director may cast one vote in respect of a resolution at the Board meeting.

**Article 122** The Board of Directors may hold a meeting on site, by countersigns or by other means recognized by entire directors. If a meeting of the Board of Directors is held on site, the venue may use telephone, video and other methods to facilitate directors' participation in the meeting. Directors who participate in the meeting by the above means are deemed to have attended the on-site meeting.

If there is any major shareholder (only for the purpose of this section, major shareholder(s) refer(s) to shareholder(s) individually or jointly holding at least 10% of the Company's total voting shares) or director who, in the opinion of the Board of Directors, has significant conflict of interests in the matters to be considered by the Board of Directors, then the matters shall be dealt with at a Board meeting, rather than by a written resolution. Independent non-executive directors who neither themselves nor their close associates (as defined in the Hong Kong Listing Rules) have a material interest in the transaction should attend relevant Board meetings.

**Article 123** The voting method of the Board meeting is a show of hands or an open ballot or other voting methods recognized by the regulatory authorities.

Given directors can fully express their opinions, extraordinary meetings of the Board of Directors may be held by telecommunication and the resolutions may be made and signed by directors present at the meeting. The regular Board meeting shall not be convened by way of written circulation.

**Article 124** Directors shall attend the Board meeting by person. A director unable to attend the meeting by person may appoint another director in writing as proxy, and the proxy form shall specify the name of proxy, subject matter, the scope of authority and the validity, and shall be signed or stamped by the appointing director. The proxy shall exercise the director's rights within the scope of authority. A director's failure to attend the Board meeting whether by person or by proxy will be deemed as waiver of voting rights at the meeting.

**Article 125** The Board of Directors shall keep the minutes of meeting which will be signed by all present directors and the recorder.

The minutes of meeting will be archived with the Company for at least ten (10) years.

**Article 126** The minutes of Board meeting shall contain:

- (1) The date, place and caller of the meeting;
- (2) The names of the directors present and the names of directors (proxies) appointed by others to attend the meeting;
- (3) The agenda of the meeting;

- (4) The key points of the directors' speeches;
- (5) The voting methods and results of each resolution (voting results shall indicate the number of votes for, against or abstentions).

**Article 127** Directors shall be responsible for the resolutions of Board meeting. If the resolution violates the laws, regulations or the Articles of Association or the resolution of the general meeting, resulting in serious losses to the Company, then the directors participating in the resolution shall be liable for compensation to the Company. However, if a director is proved to have expressed its dissent during the voting and recorded it in the minutes of meeting, the director may be exempted from liability.

### **Section 3 Independent Non-executive Directors**

**Article 128** Independent non-executive directors shall perform their duties diligently in accordance with provisions of relevant laws, administrative regulations, the CSRC, the Hong Kong Listing Rules, the securities regulatory rules of the places where the shares of the Company are listed, and the Articles of Association. They shall play a role in decision-making, supervision and balance, and professional consultation in the Board of Directors, safeguard the overall interests of the Company, and protect the legitimate rights and interests of minority shareholders.

**Article 129** Independent non-executive directors shall maintain independence. The following individuals shall not serve as independent non-executive directors:

- (1) Individuals who are employed by the Company or its affiliated enterprises, or their spouses;
- (2) Shareholders who directly or indirectly hold more than 5% of the issued shares of the Company;
- (3) Individuals who are employed by the affiliated enterprises of the Company's controlling shareholders or actual controllers, or their spouses;
- (4) Individuals who have significant business dealings with the Company, its controlling shareholders, or actual controllers, or their respective affiliated enterprises, or who are employed by entities with significant business dealings with the Company, its controlling shareholders, or actual controllers, or their respective affiliated enterprises;
- (5) Individuals who provide financial, legal, consulting, or underwriting services to the Company, its controlling shareholders, or actual controllers, or their respective affiliated enterprises, including but not limited to all members of the project team of the service-providing intermediaries, reviewers at all levels, signatories to the report, partners, directors, senior management, and principal persons in charge;

- (6) Other individuals who do not meet the independence requirements as stipulated by relevant laws, administrative regulations, the CSRC, the Hong Kong Listing Rules (including but not limited to Article 3.13), the securities regulatory rules of the places where the shares of the Company are listed, and the Articles of Association.

The affiliated enterprises of the Company's controlling shareholders or actual controllers referred to in (3) to (5) of the preceding provision do not include enterprises controlled by the same state-owned asset management authority as the Company that, in accordance with relevant regulations, do not constitute related parties with the Company.

Independent non-executive directors shall conduct an annual self-assessment of their independence and submit the selfassessment results to the Board of Directors. The Board of Directors shall annually assess the independence of incumbent independent non-executive directors and issue a special opinion, which shall be disclosed together with the annual report (if applicable).

**Article 130** Independent non-executive directors of the Company shall meet the following conditions:

- (1) Being qualified to serve as a director of a listed company in accordance with relevant laws, administrative regulations, the securities regulatory rules of the places where the shares of the Company are listed, and other relevant rules;
- (2) Meeting the independence requirements as stipulated in the Articles of Association;
- (3) Mastering basic knowledge of the operations of listed companies and be familiar with relevant laws, regulations, and rules;
- (4) Gaining necessary work experience in legal, accounting, or economic fields to fulfill the duties of an independent nonexecutive director;
- (5) Being well-behaved and free of material record of dishonesty or other misconduct;
- (6) Meeting other requirements as stipulated by laws, administrative regulations, the CSRC, the securities regulatory rules of the places where the shares of the Company are listed, and the Articles of Association.

**Article 131** Independent non-executive directors, as members of the Board, shall perform fiduciary duties of loyalty and due diligence to the Company and all shareholders, and also fulfill the following duties prudently:

- (1) Participating in board decision-making and express clear opinions on matters deliberated;
- (2) Supervising potential material conflicts of interest between the Company and controlling shareholders, actual controllers, directors, or senior management, protecting the legitimate rights and interests of minority shareholders;

- (3) Providing professional and objective advices on the Company's operations and development, thereby enhancing the decision-making effectiveness of the Board of Directors;
- (4) Other duties as stipulated by laws, administrative regulations, the CSRC, securities regulatory rules of the places where the shares of the Company are listed, and the Articles of Association.

**Article 132** Independent non-executive directors shall exercise the following special powers:

- (1) Independently engage intermediaries to conduct audits, consultations, or investigations on specific matters of the Company;
- (2) Propose to the Board of Directors the convening of an extraordinary general meeting;
- (3) Propose the convening of a board meeting;
- (4) Publicly solicit voting rights from shareholders in accordance with relevant laws;
- (5) Express independent opinions on matters that may harm the interests of the Company or minority shareholders;
- (6) Other powers as stipulated by laws, administrative regulations, the CSRC, securities regulatory rules of the places where the shares of the Company are listed, and the Articles of Association.

The exercise of the powers under (1) to (3) above by independent non-executive directors shall require the approval of more than half of all independent non-executive directors.

#### **Section 4 Special Committees of the Board of Directors**

**Article 133** The Board of Directors of the Company shall establish the Audit Committee to exercise the powers of the board of supervisors as prescribed in the Company Law. As a result of the resolution of the general meeting, the Company does not have the board of supervisors or supervisor.

**Article 134** The Audit Committee shall consist of three members, who shall be elected by more than half of all directors. Member of the Audit Committee are directors not holding senior management positions in the Company, including two independent non-executive directors, with the caller being an accounting professional among the independent non-executive directors.

**Article 135** The Audit Committee shall be responsible for reviewing the Company's financial information and disclosures, supervising and evaluating internal and external audit work and internal controls. The following matters shall be submitted to the Board of Directors for deliberation only after obtaining the approval of more than half of the Audit Committee members:

- (1) Disclosure of financial information in financial statements and periodic reports, and internal control evaluation reports;
- (2) Appointment or dismissal of the accounting firm engaging in the audit of the Company;
- (3) Appointment or dismissal of the financial officer of the Company;
- (4) Changes in accounting policies or estimates, or material corrections of accounting errors for reasons other than changes in accounting standards;
- (5) Other matters as stipulated by laws, administrative regulations, the CSRC, securities regulatory rules of the places where the shares of the Company are listed, and the Articles of Association.

**Article 136** The Audit Committee shall hold meetings at least quarterly. Extraordinary meetings may be convened upon the proposal of two or more members or at the discretion of the caller. A quorum of at least two-thirds of the audit committee members is required for the validity of the meetings.

Resolutions of the Audit Committee shall be approved by a majority vote of the members present.

Each member of the Audit Committee shall have one vote.

Minutes of the Audit Committee meetings shall be prepared in accordance with relevant regulations and signed by the members present.

The working procedures of the Audit Committee shall be formulated by the Board of Directors.

**Article 137** The Board of Directors shall establish the Nominating Committee, and the Compensation and Appraisal Committee, which shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Proposals of these special committees shall be submitted to the Board of Directors for deliberation and decisionmaking. The working procedures of these special committees shall be formulated by the Board of Directors.

**Article 138** The Nominating Committee shall consist of more than half independent non-executive directors, with the caller being an independent non-executive director. The Nominating Committee shall be responsible for formulating election criteria and procedures for directors and senior management, screening and reviewing candidates for directors and senior management positions, and offering advices to the Board of Directors on the following matters:

- (1) Nomination or removal of directors;
- (2) Appointment or dismissal of senior management;
- (3) Other matters as stipulated by laws, administrative regulations, and the Articles of Association.

If the Board of Directors fails to fully take the advices of the Nominating Committee, the board resolution shall record the Nominating Committee's opinions and the specific reasons for such failure, and such information shall be disclosed.

**Article 139** The Compensation and Appraisal Committee shall consist of more than half independent non-executive directors, with the caller being an independent nonexecutive director. The Compensation and Appraisal Committee shall be responsible for formulating appraisal criteria for directors and senior management, conducting appraisals, establishing and reviewing compensation decision-making mechanisms, processes, payment and clawback arrangements, and other compensation policies and plans, and offering advices to the Board of Directors on the following matters:

- (1) Compensation of directors and senior management;
- (2) Formulation or revision of equity incentive plans or employee stock ownership plans, and the granting of rights and the conditions for exercising such rights to the incentive recipients;
- (3) Arrangement of shareholding plans for the subsidiaries to be spun off by directors and senior management;
- (4) Other matters as stipulated by laws, administrative regulations, and the Articles of Association.

If the Board of Directors fails to fully or partially take the advices of the Compensation and Appraisal Committee, the board resolution shall record the Committee's opinions and the specific reasons for such failure, and such information shall be disclosed.

## CHAPTER 6 GENERAL MANAGER AND OTHER SENIOR MANAGEMENT

**Article 140** The Company has one (1) general manager who is appointed or dismissed by the Board of Directors.

The Company has several vice general managers, and the specific number of vice general managers is determined by the Board of Directors according to the Company's operating conditions. Vice general managers are appointed or dismissed by the Board of Directors.

The Company's financial controller, chief financial officer, secretary and other senior management are nominated by the general manager and appointed by the Board of Directors.

**Article 141** Proper performance of duties by the general manager and other senior management within their authority as stipulated by the laws, regulations, and the Articles of Association shall be free from interference by shareholders or the directors.

**Article 142** The term of office of the general manager is three (3) years, and the general manager may be re-appointed for consecutive terms.

**Article 143** The general manager shall be responsible to the Board of Directors and exercise the following functions and powers:

- (1) Chair the production, operation and management of the Company, organize the implementation of the resolutions of the Board of Directors, and report work to the Board of Directors;
- (2) Develop the Company's annual business plan, investment plan, financial budget and final accounts plan and submit it to the Board of Directors for consideration and approval, and organize the implementation of the annual business plan, investment plan, and budget plan;
- (3) Call and chair the general manager's office meeting;
- (4) Draw up plans for the establishment of the Company's internal management setup;
- (5) Develop the basic management system of the Company;

- (6) Develop specific rules and regulations of the Company;
- (7) Propose to the Board of Directors the appointment or dismissal of other senior management;
- (8) Decide to appoint or dismiss the responsible management personnel other than those who should be appointed or dismissed by the Board of Directors;
- (9) Propose an extraordinary meeting of the Board of Directors;
- (10) Other powers conferred by the Articles of Association or the Board of Directors.

**Article 144** The general manager shall develop the working rules of the general manager, to be carried out upon approval by the Board of Directors.

**Article 145** The working rules of the general manager shall contain:

- (1) The conditions, procedures and participants of the general manager meeting;
- (2) The responsibilities and division of labor of the general manager and other senior management;
- (3) The use of the Company's funds and assets, the authority to sign major contracts, and the reporting system to the Board of Directors and the Audit Committee; and
- (4) Other matters deemed necessary by the Board of Directors.

**Article 146** The general manager may apply for resignation before expiry. The specific procedures and measures for the resignation of the general manager are included in the labor contract between the general manager and the Company.

**Article 147** Vice general manager(s) shall be nominated by the general manager and appointed or dismissed by the Board of Directors. The vice general manager(s) may assist the general manager in work, as entrusted by the general manager to take charge of related work, and issue relevant business documents within the scope of its duties. When the general manager is unable to perform its duties, the vice general manager(s) may act on behalf of the general manager.

**Article 148** The Company shall appoint a secretary to the Board of Directors. The secretary is a senior officer of the Company, appointed by the Board of Directors, and responsible to the Board of Directors. The secretary shall be a natural person with necessary professional knowledge and experience.

The secretary shall:

- (1) Ensure there are complete institutional documents and records of the Company;
- (2) Ensure the Company lawfully prepares and submits the reports and documents required by competent authorities;
- (3) Prepare for the meeting of the Board of Directors and the general meeting, make minutes of the meeting, and keep the meeting documents and records safe;
- (4) Ensure that the register of shareholders is properly established, and ensure that persons entitled to the Company's relevant records and documents obtain the same timely;
- (5) Handle information disclosure affairs;
- (6) Other responsibilities under applicable laws, regulations, rules, stock exchange listing rules and other requirements, and the Articles of Association.

**Article 149** A director or other senior management of the Company may serve as secretary to the Board of Directors. The accountant of the accountant firm engaged by the Company shall not serve as secretary.

**Article 150** Any senior management performing its duties in violation of relevant laws, regulations or the Articles of Association shall be liable for any loss caused thereby to the Company.

## **CHAPTER 7 QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS AND SENIOR MANAGEMENT**

**Article 151** A person in any of the following events shall not serve as director, general manager or other senior management of the Company:

- (1) Incapacity for civil conduct or limited capacity for civil conduct;
- (2) Not more than five (5) years after expiry of the sentence to a criminal penalty for corruption, bribery, embezzlement, misappropriation of properties or disrupting the order of the socialist market economy; or not more than five (5) years after expiry of the deprivation of political rights due to a crime;
- (3) Not more than three (3) years after the bankruptcy, liquidation or winding up of a company or enterprise in which it served as director or factory director or manager, and is personally liable for the bankruptcy of such company or enterprise;
- (4) Not more than three (3) years after the business license revocation of a company or enterprise (that is ordered to wind up, whose business license is thus revoked) in which it served as the legal representative and is personally liable for such revocation;
- (5) Individual debts in a considerable amount not repaid upon maturity;
- (6) Being punished by the CSRC, and being prohibited from entry into securities market, with the time limit not expired; or
- (7) Others under the laws and regulations and regulatory rules of the place where the Company's shares are listed.

If a director, general manager or other senior management is elected or appointed in violation of this article, such election, appointment or engagement shall be invalid. A director, general manager or other senior management in any of the foregoing events during its term of office shall be dismissed by the Company.

**Article 152** A director, general manager or other senior management's fiduciary obligation may not necessarily terminate upon the expiry of term, and its obligation of confidentiality for the Company's business secrets remains valid upon expiry of term. The duration of other obligations shall be determined in accordance with the principle of fairness, depending on the length of time between the occurrence of the event and its departure, and in which circumstances and conditions its relationship with the Company ends.

**Article 153** A director shall abide by the laws, regulations and the Articles of Association, comply with the required skills, duties of care and diligence, and have the following duties of diligence to the Company:

- (1) Exercise the rights conferred by the Company cautiously, conscientiously and diligently, act on the premise of the Company's overall interests, so as to ensure that the Company's commercial behavior complies with the requirements of national laws, regulations and various national economic policies, and that commercial activities do not exceed the business scope specified in the operating license;
- (2) Treat all shareholders fairly and with proper purpose;
- (3) Keep abreast of the Company's business operation and management status, and be responsible to the Company for the use or abuse of the Company's assets;
- (4) Sign written confirmation on the Company's periodic reports;
- (5) Truthfully provide relevant information and materials to the Audit Committee, and not hinder the Audit Committee or its members from exercising their functions and powers;
- (6) Avoid actual and potential conflicts of interests and duties;
- (7) Fully and fairly disclose his/her rights and interests in contracts with the Company;
- (8) Exercise the degree of skill, care and diligence that could reasonably be expected of a person of similar knowledge and experience who holds office as a director of the Company; and
- (9) Other due diligence obligations stipulated by laws, regulations, regulatory rules of the place where the shares are listed and the Articles of Association.

**Article 154** A director shall abide by the laws, regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association, and have the following fidelity duties to the Company:

- (1) Not to take advantage of power to accept bribes or other illegal income, and shall not embezzle the Company's property;
- (2) Not to misappropriate the Company's funds;
- (3) Not to place the Company's assets or funds in accounts opened in his/her own name or names of other individuals;
- (4) Not to violate the provisions of the Articles of Association by lending the Company's funds to others or providing guarantees for others with the Company's property without the approval by the general meeting or the Board of Directors;
- (5) Not to enter into contracts or conduct transactions with the Company in violation of the provisions of the Articles of Association or without the consent of the general meeting;
- (6) Not to take advantage of the convenience of his/her position to seek business opportunities that shall belong to the Company for himself/herself or others, or operate the same kind of business as the Company for himself/herself or others without the consent of the general meeting;
- (7) Not to accept commissions from transactions with the Company as his/her own;
- (8) Not to disclose the Company's secrets without authorization;
- (9) Not to use his/her affiliated relationship to harm the interests of the Company;  
and
- (10) Other fidelity duties stipulated in laws, regulations, regulatory rules of the place where the shares are listed and the Articles of Association.

The income obtained by a director in violation of the provisions of this article shall belong to the Company; if losses are incurred to the Company, he/she shall be liable for compensation.

**Article 155** Senior management personnel shall perform corresponding obligations of loyalty, integrity and diligence in accordance with laws, regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The senior management of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If the Company's senior management personnel cause damage to the interests of the Company and public shareholders due to failure to faithfully perform their duties or breach of fiduciary obligations, they shall be liable for compensation in accordance with the laws.

**Article 156** When a director, general manager or other senior management of the Company directly or indirectly has a significant interest in the contracts, transactions and arrangements that the Company has entered into or planned (except for the appointment contract between the Company and its director, general manager or other senior management), regardless of whether the relevant matters require the approval of the Board of Directors under normal circumstances, the nature and extent of its interest shall be disclosed to the Board of Directors as soon as possible.

Subject to the Hong Kong Listing Rules or other exceptions permitted by the Hong Kong Stock Exchange, a director shall not vote in relation to any contract or arrangement in which it has a material interest through itself or any of its close associates (as defined in the Hong Kong Listing Rules), or any other proposed board resolution; it shall not be counted in determining whether a quorum is present.

Unless a director, general manager or other senior management of the Company who has an interest has made a disclosure to the Board of Directors at the foregoing requirements, and the Board of Directors has approved this matter at the meeting where it wasn't counted in the quorum of the meeting nor where it did not participate in voting, the Company has the right to rescind the contract, transaction or arrangement, unless the other party is a bona fide party who is unaware of the breach of obligations by said director, general manager or other senior management.

If the associates of a director, general manager or other senior management of the Company are interested in a contract, transaction or arrangement, the said director, general manager or other senior management shall also be deemed to be interested therein.

**Article 157** The Company shall enter into a written contract with each director, general manager and other senior management, which shall at least include the following provisions:

- (1) Every director, general manager or other senior management shall represent to the Company that it will follow the Company Law, the Articles of Association, the Code on Takeovers and Mergers and Share Repurchases, among other rules stipulated by the Hong Kong Stock Exchange, and agree that the Company will enjoy the remedies hereunder, and that neither this contract nor his/her position shall be assigned;

- (2) Every director, general manager or other senior management shall represent to the Company that it will follow and perform its responsibilities to shareholders as required herein.

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

### **Section 1 Financial and Accounting Policies**

**Article 158** The Company will prepare the financial accounting policies in accordance with laws, regulations and the requirements of competent authorities.

**Article 159** A financial year for the Company is the Gregorian calendar year, that is, from 1 January to 31 December of the Gregorian calendar. The Company shall timely prepare the annual report from the end of each financial year in accordance with the requirements of relevant laws, regulations and regulatory rules of the place where the shares are listed.

**Article 160** The Board of Directors shall, at each annual general meeting, submit to the shareholders the financial reports prepared by the Company as required by relevant laws, regulations, normative documents issued by local governments and competent authorities, and the regulatory rules of the place where the Company's shares are listed.

**Article 161** The annual report shall be deposited with the Company twenty (20) days before the general meeting, for inspection by the shareholders. Every shareholder may have access to the financial reports mentioned in this chapter.

Unless otherwise required by relevant laws, regulations, listing rules of the place where the shares of the Company are listed, and the Articles of Association, the Company shall, at least twenty one (21) days before the annual general meeting, submit the aforementioned financial report, delivered or mailed to each holder of overseas listed foreign shares, postage prepaid, addressed to the recipients as listed in the register of shareholders. Subject to relevant laws, regulations, and listing rules of the place where the shares of the Company are listed, the Company may make announcements (i.e. posting on the official website of the Company).

**Article 162** In addition to the statutory accounting books, the Company shall not establish separate accounting books. The Company's assets shall not be stored in an account opened in the name of any individual.

**Article 163** When the Company distributes the after-tax profits of current year, it shall provide 10% of the profits in the statutory reserve fund. If the cumulative amount of the statutory reserve fund is more than 50% of the registered capital, there is no need to provide more.

If the statutory reserve fund is insufficient to make up for the losses of previous years, the profits of current year shall be used to make up the losses before the statutory reserve fund is provided in accordance with the provisions of the preceding paragraph.

After the Company has provided the statutory reserve fund from the after-tax profit, it can also provide the discretionary reserve fund from the after-tax profit, with the resolution of the general meeting.

The remaining after-tax profits of the Company after making up the losses and providing the reserve fund shall be distributed in proportion to the shareholdings, except for those not distributed in proportion to the shareholdings hereunder.

If the general meeting violates the provisions of the preceding paragraph and distributes profits to shareholders before the Company makes up losses and provides the statutory reserve fund, the shareholders shall return the unduly distributable profits to the Company.

Shares of the Company held by the Company enjoy no distribution of profits.

**Article 164** The Company's reserve fund is used to make up for the Company's losses, expand production and operation, or convert it to increase the registered capital. However, the capital reserve shall not be used to cover the losses of the Company.

When the statutory reserve fund is capitalized, its amount shall not be less than 25% of the registered capital of the Company before the capitalization.

**Article 165** After the general meeting has made a resolution on the profit distribution plan, the Board of Directors shall distribute dividends (or shares) within two (2) months after the general meeting. The Company shall distribute dividends by cash or by bonus issue.

**Article 166** The Company shall appoint one (1) or more receiving agents in Hong Kong for the holders of overseas listed foreign shares. The receiving agent shall receive the dividends distributed by the Company in respect of the overseas listed foreign shares and other payables, on behalf of the relevant shareholders, and shall keep such funds on behalf of the shareholders, pending payment to the shareholders.

The receiving agent appointed by the Company shall meet the requirements of local laws of the place of listing or the relevant rules of stock exchange.

**Article 167** The Company's profit distribution shall pay attention to the reasonable investment returns to investors and take into account the Company's sustainable development. When proposing or declaring dividends, the Company shall maintain sufficient cash reserves to meet its capital needs, future growth and the need to maintain equity value. The Company's dividend policy is formulated by the Board of Directors.

## **Section 2 Internal Audit**

**Article 168** The Company has an internal audit policy, with full-time auditors to conduct internal audit supervision over the Company's revenues and expenditures and business activities.

**Article 169** The Company's internal audit policy and the duties of auditors shall be performed with approval of the Board of Directors. The audit leader is responsible to and reports to the Board of Directors.

### **Section 3 Appointment of Accountant Firm**

**Article 170** When the Company engages an accountant firm that complies with the Securities Law of the People's Republic of China to conduct financial statements auditing, net assets verification and other related consulting services, the engagement period may start from the end of current annual general meeting of the Company to the end of next annual general meeting, and the engagement can be renewed.

**Article 171** The engagement of an accountant firm shall be decided by the general meeting, and the Board of Directors shall not appoint an accountant firm before the decision of the general meeting. However, if there is a vacancy of accountant firm, the Audit Committee may appoint an accountant firm to fill the vacancy before the convention of general meeting. During the vacancy period, if the Company has other accountant firms in office, such accountant firms can still act.

**Article 172** The Company ensures that it will provide true and complete accounting vouchers, accounting books, financial statements and other accounting materials to the engaged accountant firm, without any refusal, concealment or misrepresentation.

**Article 173** The accountant firm engaged by the Company shall have the rights to:

- (1) Check the Company's financial statements, records and vouchers, and request the directors, general manager or other senior management to provide relevant materials and explanations;
- (2) Require the Company to take all reasonable measures to obtain from its subsidiaries the materials and explanations necessary for the accountant firm to perform its duties;
- (3) Attend the general meeting, obtain the meeting notice or other information related to the meeting that any shareholder is entitled to receive, and give a speech at the general meeting on matters concerning the accountant firm engaged by the Company.

**Article 174** Regardless of the terms of contract between the accountant firm and the Company, the general meeting may decide to dismiss any accountant firm before the term of accountant firm expires by way of ordinary resolution. Any right of the accountant firm to claim compensation from the Company due to its dismissal will not be affected.

**Article 175** The audit fee of the accountant firm shall be decided by the general meeting.

**Article 176** When the Company dismisses or does not reappoint the accountant firm, it shall notify the accountant firm thirty (30) days in advance, and the accountant firm shall be allowed to state its opinions when voting on the dismissal of the accountant firm at the general meeting.

If the accountant firm proposes to resign, it shall explain to the general meeting whether the Company has any inappropriate circumstances.

## CHAPTER 9 NOTICES

**Article 177** The notice of the Company may be delivered by any of the following means:

- (1) by hand;
- (2) by mail;
- (3) by email;
- (4) by way of publishing an announcement on the websites or newspapers formulated or stipulated by the Company and the stock exchange in accordance with the requirements of laws, regulations and governing rules of the places where the shares of the Company are listed;
- (5) by other ways as agreed in advance between the Company and the addressee or as accepted by the addressee after the notice is received; or
- (6) by other ways recognized by laws, regulations, regulatory authorities of the places where the shares of the Company are listed or provided by the Articles of Association.

Unless otherwise stipulated in the Articles of Association, the various forms of notice prescribed in the preceding paragraphs are applicable to the notices of the Company's general meetings and meetings of the Board of Directors.

**Article 178** If the notice is sent by hand, the receiving person shall sign (or seal) the delivery receipt, and the date of receipt shall be the date of delivery; if the notice is sent by mail, the 3rd working day from the date of handing it to the post office is the date of delivery; if the notice is sent by email, the date of emailing will be the date of delivery. If the notice is sent by announcement, the date of first publication of announcement will be the date of delivery.

Any notice of the Company given by announcement shall be deemed to be received by all relevant persons once such announcement is published. Where the laws, regulations and regulatory authorities of the place where the shares of the Company are listed provide otherwise, such provisions shall prevail.

**Article 179** The meeting and the resolutions made at the meeting shall not be invalidated by the failure to send the meeting notice to a person who is entitled to be notified or the failure to receive the meeting notice due to accidental omission.

## CHAPTER 10 MERGER, DIVISION, CAPITAL INCREASE AND DECREASE, DISSOLUTION OR LIQUIDATION

### Section 1 Merger, Division, Capital Increase and Decrease

**Article 180** The merger of companies may take the form of merger by absorption or merger by new establishment.

A company absorbs other companies as a merger by absorption, and the absorbed company is dissolved. The merger of two or more companies to establish a new company is a merger by new establishment, and the parties to the merger are dissolved.

**Article 181** For the purpose of merger, the merging parties shall sign a merger agreement, and prepare a balance sheet and a list of properties. The Company shall notify the creditors within ten (10) days from the date of merger resolution, and make an announcement in newspapers within thirty (30) days. A creditor may request the Company to pay off its debts or provide corresponding guarantees within thirty (30) days from the date of receipt of the notice, or within forty five (45) days from the date of the announcement (if it has not received the notice).

**Article 182** For the purpose of merger, the creditor's rights and debts of the merging parties shall be inherited by the surviving company or the newly established company after the merger.

**Article 183** For the purpose of division, the properties of the Company shall be divided accordingly.

For the purpose of division, the Company shall prepare a balance sheet and a list of properties. The Company shall notify creditors within ten (10) days from the date of resolution on division, and make an announcement in newspapers within thirty (30) days.

**Article 184** Upon division, the Company shall be jointly and severally liable the debts before the division, unless otherwise specified in the written agreement between the Company and the creditors on debt repayment before the division.

**Article 185** To reduce its registered capital, the Company shall prepare a balance sheet and a list of properties.

The Company shall notify the creditors within ten (10) days from the date of resolution to reduce the registered capital, and make an announcement in newspapers within thirty (30) days. The creditor may request the Company to pay off its debts or provide corresponding guarantees within thirty (30) days from the date of receipt of notice, or within forty five (45) days from the date of announcement (if it has not received the notice).

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

**Article 186** The Company shall lawfully register any merger, division or other change of registration with the company registration authority; if the Company is dissolved, the Company shall be deregistered at law; to set up a new company, the Company shall register it lawfully with the company registration authority.

The Company shall lawfully register any increase or decrease of its registered capital with the company registration authority.

## **Section 2 Dissolution or Liquidation**

**Article 187** In any of the following circumstances, the Company shall be dissolved and liquidated at law:

- (1) The business period specified herein expires or other reasons for dissolution hereunder occur;
- (2) The general meeting resolves to dissolve;
- (3) Dissolution is required for the merger or division of the Company;
- (4) Business license revoked, ordered to wind up, or withdrawn at law;
- (5) In the event of serious difficulties in the operation and management of the Company, the continued existence of which will cause significant losses to the interests of shareholders and cannot be settled by other means, shareholders who hold more than 10% of the voting rights of all shareholders of the Company may request the local court for dissolution of the Company.

**Article 188** If the Company has the circumstance specified in item (1) of Article 187 of the Articles of Association, it may survive by amending the Articles of Association.

Amendments to the Articles of Association in accordance with the provisions of the preceding paragraph shall be approved by more than two thirds (2/3) of the voting rights held by the shareholders present at the general meeting.

**Article 189** If the Company is dissolved under Article 187 (1), (2), (4) or (5) hereof, a liquidation team shall be established within fifteen (15) days from the date of the occurrence of the cause of liquidation, to start the liquidation. The liquidation team shall be composed of directors or persons determined by the general meeting. If a liquidation team is not established for liquidation within the time limit, the creditors may ask the local court to designate relevant persons to form a liquidation team.

**Article 190** During the liquidation period, the liquidation team shall exercise the following functions and powers to:

- (1) Clear the Company's properties, and prepare the balance sheet and the list of properties respectively;
- (2) Notify and announce to creditors;
- (3) Deal with the Company's outstanding business related to liquidation;
- (4) Clear the taxes owed and the taxes incurred in the liquidation process;
- (5) Clear the claims and debts;
- (6) Dispose of the remaining properties after the Company has paid off its debts;
- (7) Participate in civil litigation on behalf of the Company.

**Article 191** The liquidation team shall notify the creditors within ten (10) days from the date of establishment, and make an announcement in newspapers within sixty (60) days. Any creditor shall declare its claims to the liquidation team within thirty (30) days from the date of receipt of notice, or within forty five (45) days from the date of the announcement (if it has not received the notice).

When a creditor declares its claims, it shall explain the related matters and provide supporting materials. The liquidation team shall register the claims.

During the period of declaring the claims, the liquidation team shall not repay to creditors.

During the liquidation period, the Company exists, but cannot carry out business activities unrelated to the liquidation.

**Article 192** After the liquidation team clears the Company's properties, prepares the balance sheet and the list of properties, it shall develop a liquidation plan and report it to the general meeting or the local court for confirmation.

After paying liquidation expenses, employees' wages, social insurance fees and statutory compensation, taxes owed, and the Company's debts, the Company shall distribute the remaining properties according to the shareholding ratios of shareholders.

During the period of liquidation, the Company continues to exist, but may not carry out business activities unrelated to the liquidation.

The Company's properties shall not be distributed to shareholders before paying off in accordance with the provisions of the preceding paragraphs.

**Article 193** If the liquidation team finds that the Company's properties are insufficient to pay off its debts after liquidating the Company's properties and compiling the balance sheet and property list, it shall apply to the local court for bankruptcy according to the laws.

After the Company is declared bankrupt by the ruling of the local court, the liquidation team shall transfer the liquidation affairs to the local court.

**Article 194** Upon liquidation of the Company, the liquidation team shall prepare a liquidation report, report it to the general meeting or the local court for confirmation, submit company registration authority to apply for business de-registration and announce the termination of the Company.

**Article 195** Any member of the liquidation team shall be loyal to its duties and perform its liquidation obligations according to law.

A member of the liquidation team shall not use its power to accept bribes or other illegal income, and shall not embezzle the Company's properties.

Any member of the liquidation team, causing losses to the Company or its creditors due to intentional or gross negligence, shall be liable for compensation.

**Article 196** If the Company is declared bankrupt at law, the bankruptcy or liquidation shall be carried out in accordance with the corporate bankruptcy laws.

## **CHAPTER 11 AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

**Article 197** In any of the following circumstances, the Company shall amend the Articles of Association:

- (1) After the revision of the Company Law or relevant laws and regulations, the matters specified herein conflict with the revised laws and regulations;
- (2) The situation of the Company has changed, which is inconsistent with those recorded herein;
- (3) The general meeting decides to amend the Articles of Association.

**Article 198** The Board of Directors may amend the Articles of Association in accordance with the resolution of general meeting to amend the Articles of Association, and the approval opinions of the relevant competent authorities.

**Article 199** Amendments to the Articles of Association approved by the resolution of the general meeting shall be subject to the approval by the competent authority, and shall be reported to the competent authority for approval; those involving company registration matters shall be registered in accordance with the laws.

## CHAPTER 12 SUPPLEMENTARY PROVISIONS

### Article 200 Definitions and Interpretations

- (1) Controlling Shareholder refers to a shareholder whose ordinary shares (including preferred shares with restored voting rights) account for more than 50% of the Company's total share capital; or a shareholder with less than 50% shareholding but whose voting rights entitled by his/her shares are sufficient to have a significant impact on the resolutions of the general meeting, unless otherwise required by the laws, regulations, regulatory rules of the place where the Company's shares are listed, and the Articles of Association.
- (2) Actual controller refers to a person who, not being a shareholder of the Company, can actually control the behavior of the Company through investment relationships, agreements or other arrangements.
- (3) Controlled Subsidiary refers to a firm that the Company holds more than 50% of its shares, or can decide the election of more than half of its board members, or can actually control the firm by agreement or other arrangements.
- (4) Yuan, unless otherwise specified herein, refers to RMB, the legal currency of the People's Republic of China.
- (5) Hostile Takeover refers to the act of acquiring or seeking control of the Company by acquiring Company shares or acting in concert without the consent of more than two thirds (2/3) directors of the Company, or the act deemed as hostile takeover by the majority of directors of the Company, given the investor and the person acting in concert and/or the director connected with any of the foregoing parties abstain(s) from voting. In particular, the anti-takeover measure taken by the Board of Directors in response to the aforementioned hostile takeover is not deemed as a hostile takeover. If there is a clear definition of "hostile takeover" under the laws and regulations, the scope of "hostile takeover" herein shall be adjusted accordingly.

**Article 201** Unless otherwise specified by relevant laws, regulations or local securities commission rules, the phrase "independent non-executive director" in the Articles of Association shall have the same meaning as "independent director", and the phrase "accountant firm" has the same meaning as "auditor".

**Article 202** The Board of Directors may develop the articles of association pursuant to the Articles of Association. The articles of association shall not conflict with the Articles of Association.

**Article 203** The Articles of Association are written in Chinese. If there is any discrepancy with the Articles of Association in any other language or different versions, the Chinese version of the Articles of Association latest registered with the business registry office shall prevail.

The words “above”, “within” and “below” herein all include the threshold number; the words “exceed”, “less than”, “beyond”, “lower than”, “more than” herein all exclude the threshold number.

**Article 204** The Articles of Association shall come into effect and be implemented on the date of consideration and approval by the Company’s general meeting. The Board of Directors of the Company is responsible for the interpretation of the Articles of Association.

**Jiangsu Recbio Technology Co., Ltd.**  
December 2025