

**Articles of Association  
of  
AIM Vaccine Co., Ltd.**

Amended by a special resolution passed at the extraordinary general meeting held on  
November 28, 2023

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## CHAPTER 1 GENERAL PROVISIONS

**Article 1** To safeguard the legitimate rights and interests of AIM Vaccine Co., Ltd. (hereinafter referred to as the “**Company**”), the shareholders and creditors thereof and regulate the organization and activities of the Company, the Articles of Association are formulated based on the actual conditions of the Company and in accordance with the Company Law of the People’s Republic of China (中華人民共和國公司法) (hereinafter referred to as the “**Company Law**”), the Securities Law of the PRC (中華人民共和國證券法) (hereinafter referred to as the “**Securities Law**”), Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Hong Kong Listing Rules**”) and other laws, regulations, departmental rules, regulatory documents and relevant regulations of the securities regulatory authority of the place where the Company’s shares are listed.

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

The Company is a joint stock limited liability company legally converted from Beijing AIM Biological Vaccine Technology Group Co., Ltd. (北京艾美生物疫苗技術集團有限公司) by means of promotion on September 21, 2020. It was registered with the Administration for Market Regulation of Daxing District, Beijing on September 21, 2020 and obtained a business license with a unified social credit code of 91210100583868927X. All shareholders of the former Beijing AIM Biological Vaccine Technology Group Co., Ltd. are the promoters of the Company, which are: Yan ZHOU (周延), Tibet Zhongtu Enterprise Management Co., Ltd. (西藏眾途企業管理有限公司), Tibet Yingfeng Industrial Co., Ltd. (西藏盈豐實業有限公司), Lhasa Meihua Biological Investment Holdings Co., Ltd. (拉薩梅花生物投資控股有限公司), Jie ZHOU (周杰), Xin ZHOU (周欣), Shenyang Xixi Enterprise Management Consulting Co., Ltd. (瀋陽茜茜企業管理諮詢有限公司), Shenyang Zongheng Tianxia Trading Co., Ltd. (瀋陽縱橫天下商貿有限公司), Yongzhou Qingteng Trading Partnership (Limited Partnership) (永州青藤貿易合夥企業(有限合夥)), Shenyang Zhongrenxing Enterprise Management Center (Limited Partnership) (瀋陽眾人行企業管理中心(有限合夥)), Tingdong YANG (楊廷棟), Tibet Ruishang Venture Capital Management Co., Ltd. (西藏睿尚創業投資管理有限公司), Gongqingcheng Everest Investment Management Partnership (Limited Partnership) (共青城珠峰投資管理合夥企業(有限合夥)), Shenzhen CMB Langyao Growth Equity Investment Fund Partnership (Limited Partnership) (深圳市招銀朗曜成長股權投資基金合夥企業(有限合夥)), Jiaxing Hekang Investment Partnership (Limited Partnership) (嘉興禾康投資合夥企業(有限合夥)), CMB Growth II Investment (Shenzhen) Partnership (Limited Partnership) (招銀成長貳號投資(深圳)合夥企業(有限合夥)), Linzhi Desheng Technology Co., Ltd. (林芝德勝科技有限公司), Guanqun SUN (孫冠群), Jing HUANG (黃靜), Shanghai Lancheng Tongliang Equity Investment Fund Partnership (Limited Partnership) (上海蘭丞同梁股權投資基金合夥企業(有限合夥)), Shenzhen Tongchuang Jiaxing Investment Partnership (Limited Partnership) (深圳市同創佳興投資合夥企業(有限合夥)), Shanghai Jiexuan Enterprise Management Center (上海傑玄企業管理中心), Gongqingcheng Chenxi No. 1 Le Meridien Equity Investment Partnership (Limited Partnership) (共青城晨熹一號艾美股權投資合夥企業(有限合夥)), Tianjin Jingeng Biotechnology Partnership (Limited Partnership) (天津金耕生物科技合夥企業(有限合夥)), Jiaxing Chenxi No. 3 Equity Investment Partnership (Limited Partnership) (嘉興晨熹三號股權投資合夥企業(有限合夥)), Gongqingcheng Everest No.2 Investment Management Partnership (Limited Partnership) (共青城珠峰二號投資管理合夥企業(有限合夥)), Yunnan Ziyongchen Investment Co., Ltd. (雲南紫雍晨投資有限公司), Tibet Pude Zhengyuan Venture Capital Co., Ltd. (西藏樸德正元創業投資有限公司), Shenzhen Hebang Zhengzhixing Asset Management Co., Ltd. (深圳和邦正知行資產管理有限公司), Tibet Zhiying Investment Co., Ltd. (西藏智盈投資有限公司), Hangzhou Puhua Yuchen Equity Investment Partnership (Limited Partnership) (杭州普華昱辰股權投資合夥企業(有限合夥)), Junping SHI (史俊萍), Qingdao Penglong Equity Investment

Partnership (Limited Partnership) (青島蓬瀛股權投資合夥企業(有限合夥)), Xiaojun HUANG (黃曉軍), Foshan Hongtao Kexuan Equity Investment Partnership (Limited Partnership) (佛山弘陶科選股權投資合夥企業(有限合夥)), Shenzhen Fenghong Investment Co., Ltd. (深圳豐鴻投資有限公司), Tibet Zhiming Yuanyang Technology Development Co., Ltd. (西藏智明遠揚科技發展有限公司), Langma No. 25 (Shenzhen) Venture Capital Center (Limited Partnership) (朗瑪二十五號(深圳)創業投資中心(有限合夥)), Langma No. 23 (Shenzhen) Venture Capital Center (Limited Partnership) (朗瑪二十三號(深圳)創業投資中心(有限合夥)), Langma No. 24 (Shenzhen) Venture Capital Center (Limited Partnership) (朗瑪二十四號(深圳)創業投資中心(有限合夥)), Shanghai Lancheng Chengchun Equity Investment Fund Partnership (Limited Partnership)(上海蘭丞承春股權投資基金合夥企業(有限合夥)), Shenzhen CMB Gongying Equity Investment Partnership Enterprise (Limited Partnership)(深圳市招銀共贏股權投資合夥企業(有限合夥)), Shenzhen Tongchuang Jiazhi Investment Partnership (Limited Partnership) (深圳市同創佳致投資合夥企業(有限合夥)), and Hainan Jiashui Trading Co., Ltd. (海南嘉水貿易有限公司).

**Article 3** Name of the Company in Chinese: 艾美疫苗股份有限公司

Name in English: AIM Vaccine Co., Ltd.

Domicile of the Company: Room 412, 4/F, Building 6, No. 105 Jinghai 3rd Road, Beijing Economic-Technological Development Area, Beijing

Postal code: 102600

Tel.: 010-85950621

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

**Article 5** The chairman of the Board of Directors is the legal representative of the Company.

**Article 6** The assets of the Company are divided into equal shares. Shareholders shall bear liability for the Company to the extent of the shares they subscribe, and the Company shall bear liability for the debts of the Company with all its assets.

**Article 7** From the date upon which the Articles of Association come into effect, the Articles of Association shall become a legally binding document regulating the Company's organization and activities, as well as the rights and obligations between the Company and each shareholder and between the shareholders.

**Article 8** The Articles of Association are binding on the Company and its shareholders, directors, supervisors and senior management, all of whom have the rights to propose, any matters of the Company pursuant to the Articles of Association.

Pursuant to the Articles of Association, shareholders may pursue action against other shareholders, shareholders may pursue action against directors, supervisors, the general manager and other senior management members, the shareholders may pursue action against the Company, and the Company may pursue action against its shareholders, directors, supervisors, the general manager and other senior management members.

**Article 9** To the extent permitted by laws and regulations, the Company may invest in other enterprises and shall be liable for the invested enterprises to the extent of its capital contribution. Unless otherwise provided by law, the Company shall not be the capital contributor bearing joint liability associated with the debts of the invested enterprises.

**Article 10** The senior management members referred to in the Articles of Association represent the general manager (chief executive officer (CEO)/president, deputy general manager (executive president), finance manager (CFO), secretary of the Board of Directors of the Company and other personnel designated by the Board of Directors.

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

**Article 11** The business objectives of the Company are: focusing on local market and product variety with innovation as the foundation, culture as the soul, and finance as the tool; aspiring to be a mission-driven company which is customer-oriented and attaches importance to quality, cost, efficiency and customer experience; taking a path of innovation and internationalization, establishing a modern enterprise system, accelerating technological transformation, achieving economy of scale, achieving high profits at low cost, and maximizing shareholders' benefits.

**Article 12** The legally registered business scope of the Company includes: biological vaccine technology development; technology transfer; technology services; technology promotion; marketing; corporate image planning; market research; conference services; exhibition services; design, production, agency and publishment of advertisements; import and export of goods and technologies and import and export agency; business management consulting; economic information consulting; production of Class II and Class III medical devices (market participants shall choose operating items and carry out operation activities according to laws; for production of Class II and Class III medical devices and items required to be approved by laws, operation activities may be conducted only with the approval of relevant departments; operation activities of items prohibited and restricted by industrial policies of the state and the city shall not be carried out.).

## **CHAPTER 3 SHARES**

### **Section 1 Issue of Shares**

**Article 13** The shares of the Company are in the form of share certificates.

**Article 14** Shares of the Company shall be issued in a fair and equal manner and shares of the same class shall carry the same rights.

Each of the shares of the same class shall be issued under the same conditions and at the same price in each issuance, and the same price shall be paid for each of the shares subscribed for by any entity or individual.

**Article 15** All share certificates issued by the Company have nominal values, and are denominated in Renminbi with a par value of Renminbi one yuan.

The Company shall maintain ordinary shares at all times. Ordinary shares issued by the Company include domestic shares and foreign shares. However, unless otherwise provided by applicable laws, regulations and/or relevant listing rules, domestic shares and foreign shares will not be regarded as different classes of shares. Subject to the approval of the department authorized by the State Council, the Company may, according to its needs, create other types of shares.

**Article 16** Subject to the approval of the securities regulatory authority of the State Council, the Company may issue shares to domestic investors and foreign investors.

Foreign investors referred to in the preceding paragraph mean those investors who subscribe for the Company's shares in issue and who are located in foreign countries and in Hong Kong Special Administrative Region (hereinafter referred to as "**Hong Kong**"), Macao Special Administrative Region and Taiwan of the People's Republic of China (hereinafter referred to as the "**PRC**"). Domestic investors mean those investors who subscribe for the Company's shares in issue and who are located within the territory of the PRC excluding the regions mentioned above.

**Article 17** Shares that the Company issues to domestic investors for subscription in Renminbi shall be referred to as domestic shares. Shares that the Company issues to foreign investors for subscription in foreign currencies shall be referred to as foreign shares. Foreign shares that are listed overseas shall be referred to as overseas listed foreign shares.

**Article 18** Shares listed and traded on overseas stock exchange with approvals from the department authorized by the State Council and overseas securities regulatory authorities are referred to as overseas listed shares.

The overseas listed foreign shares offered by the Company on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "**Hong Kong Stock Exchange**") shall be called "H shares", i.e. shares which have been approved for listing on the Hong Kong Stock Exchange, the par value of which is denominated in Renminbi and which are subscribed for and traded in foreign currencies. Shares issued by the Company and subscribed for in RMB that are not listed overseas shall be called "unlisted RMB ordinary shares".

Foreign currencies referred to in the preceding paragraph mean the lawful currencies (other than Renminbi) of other countries or regions that are recognized by the foreign exchange authority of the PRC and that can be used to pay for the shares subscribed.

**Article 19** As permitted by relevant laws, administrative regulations and departmental rules and approved by the securities regulatory authority of the State Council and other regulators, shareholders of the Company may trade their unlisted shares in an overseas stock exchange. The listing and trading of the aforesaid shares shall comply with the regulatory procedures, regulations and requirements prescribed by the relevant overseas stock market.

It is unnecessary to hold a shareholders' general meeting to vote on the listing and trading of transferred shares on an overseas stock exchange, or listing and trading of unlisted shares on an overseas stock exchange.

**Article 20** Before initial public offering of overseas listed foreign shares of the Company, its share capital is RMB1,199,999,999, the total number of shares is 1,199,999,999, which are all ordinary shares, and the equity structure is as follows:

No.	Name of shareholders	Number of shares held ('0,000 shares)	Shareholding percentage	Form of contribution	Date of contribution
1.	Yan ZHOU	20,000	16.6668%	Shares converted from net assets	September 19, 2020
2.	Tibet Sincere Heart Enterprise Management Co., Ltd (西藏赤誠之心企業管理有限公司)	16,000	16.6668%	Shares converted from net assets	September 19, 2020
		4,000		Currency	By June 8, 2021
3.	Tibet Yingfeng Industrial Co., Ltd.	10,000	8.3334%	Shares converted from net assets	September 19, 2020
4.	Ningbo Free Trade Zone Holding Co., Ltd. (寧波保稅區控股有限公司)	5,405.1428	4.5043%	Equity contribution	October 27, 2020
5.	Lhasa Meihua Biological Investment Holdings Co., Ltd.	5,000	4.1667%	Shares converted from net assets	September 19, 2020
6.	Jie ZHOU	4,000	3.3333%	Shares converted from net assets	September 19, 2020
7.	Xin ZHOU	4,000	3.3333%	Shares converted from net assets	September 19, 2020
8.	Shenyang Xixi Enterprise Management Consulting Co., Ltd.	4,000	3.3333%	Shares converted from net assets	September 19, 2020
9.	Shenyang Zongheng Tianxia Trading Co., Ltd.	4,000	3.3333%	Shares converted from net assets	September 19, 2020
10.	Yongzhou Qingteng Trading Partnership (Limited Partnership)	4,000	3.3333%	Shares converted from net assets	September 19, 2020
11.	Shenyang Zhongrenxing Enterprise Management Center (Limited Partnership)	3,339	2.7825%	Shares converted from net assets	September 19, 2020
12.	Tingdong YANG	3,000	2.5000%	Shares converted from net assets	September 19, 2020
13.	Tibet Ruishang Venture Capital Management Co., Ltd.	2,830	2.3583%	Shares converted from net assets	September 19, 2020
14.	Gongqingcheng Everest Investment Management Partnership (Limited Partnership)	2,515	2.0958%	Shares converted from net assets	September 19, 2020

No.	Name of shareholders	Number of shares held ('0,000 shares)	Shareholding percentage	Form of contribution	Date of contribution
15.	Shenzhen CMB Langyao Growth Equity Investment Fund Partnership (Limited Partnership)	1,924	1.6033%	Shares converted from net assets	September 19, 2020
16.	Jiaying Hekang Investment Partnership (Limited Partnership)	1,815	1.5125%	Shares converted from net assets	September 19, 2020
17.	CMB Growth II Investment (Shenzhen) Partnership (Limited Partnership)	1,799	1.4992%	Shares converted from net assets	September 19, 2020
18.	Linzhi Desheng Technology Co., Ltd.	1,500	1.2500%	Shares converted from net assets	September 19, 2020
19.	Guanqun SUN	1,400	1.1667%	Shares converted from net assets	September 19, 2020
20.	Zhuhai Hengqin Ruifan Technology Partnership(Limited Partnership) (珠海橫琴瑞凡科技合夥企業(有限合夥))	1,241.8150	1.0348%	Equity contribution	By May 31, 2021
21.	Jing HUANG	1,145	0.9897%	Shares converted from net assets	September 19, 2020
		42.694		Currency	By May 31, 2021
22.	Shanghai Lancheng Tongliang Equity Investment Fund Partnership (Limited Partnership)	861.5385	0.7179%	Shares converted from net assets	September 19, 2020
23.	Zhen LIN (林振)	853.8400	0.7115%	Currency	By May 31, 2021
24.	Shenzhen Tongchuang Jiaying Investment Partnership (Limited Partnership)	848	0.7067%	Shares converted from net assets	September 19, 2020
25.	Qingdao Penglong Equity Investment Partnership (Limited Partnership)	384	0.6721%	Shares converted from net assets	September 19, 2020
		422.5755		Currency	By May 31, 2021
26.	Shanghai Jiexuan Enterprise Management Center	800	0.6667%	Shares converted from net assets	September 19, 2020
27.	Beijing Yizhuang International Emerging Industry Investment Center (Limited Partnership) (北京亦莊國際新興產業投資中心(有限合夥))	750	0.6250%	Currency	September 23, 2020
28.	Gongqingcheng Chenxi No. 1 Le Meridien Equity Investment Partnership (Limited Partnership)	720	0.6000%	Shares converted from net assets	September 19, 2020



No.	Name of shareholders	Number of shares held ('0,000 shares)	Shareholding percentage	Form of contribution	Date of contribution
29.	Tianjin Jingeng Biotechnology Partnership (Limited Partnership)	600	0.5000%	Shares converted from net assets	September 19, 2020
30.	Zhuhai Gao Ling Xiheng Equity Investment L.P. (Limited Partnership) (珠海高瓴汐恒股權投資合夥企業(有限合夥))	565.3514	0.4711%	Currency	By May 31, 2021
31.	Yunnan Ziyongchen Investment Co., Ltd.	515	0.4583%	Shares converted from net assets	September 19, 2020
		35		Currency	By May 31, 2021
32.	Jiaying Chenxi No. 3 Equity Investment Partnership (Limited Partnership)	540	0.4500%	Shares converted from net assets	September 19, 2020
33.	Gongqingcheng Everest No.2 Investment Management Partnership (Limited Partnership)	516	0.4300%	Shares converted from net assets	September 19, 2020
34.	Beijing Huakong Industrial Investment Fund (Limited Partnership) (北京華控產業投資基金(有限合夥))	505.8571	0.4215%	Currency	By December 31,2020
35.	Tibet Pude Zhengyuan Venture Capital Co., Ltd.	500	0.4167%	Shares converted from net assets	September 19, 2020
36.	Shenzhen Hebang Zhengzhixing Asset Management Co., Ltd.	500	0.4167%	Shares converted from net assets	September 19, 2020
37.	Tibet Zhiying Investment Co., Ltd.	500	0.4167%	Shares converted from net assets	September 19, 2020
38.	Hangzhou Puhua Yuchen Equity Investment Partnership (Limited Partnership)	500	0.4167%	Shares converted from net assets	September 19, 2020
39.	Junping SHI	500	0.4167%	Shares converted from net assets	September 19, 2020
40.	Zhejiang Yiwu Letai Investment Management Partnership Enterprise (Limited Partnership) (浙江義烏市樂泰投資管理合夥企業(有限合夥))	500	0.4167%	Currency	By December 31,2020

No.	Name of shareholders	Number of shares held ('0,000 shares)	Shareholding percentage	Form of contribution	Date of contribution
41.	Zhuhai Hengqin Qijing Technology Partnership (Limited Partnership) (珠海橫琴麒麟科技合夥企業(有限合夥))	445.8562	0.3715%	Equity contribution	By May 31, 2021
42.	Xiaojun HUANG	300	0.2500%	Shares converted from net assets	September 19, 2020
43.	Beijing Key Industry Intellectual Property Operation Fund (Limited Partnership) (北京市重點產業知識產權運營基金(有限合夥))	300	0.2500%	Currency	September 23, 2020
44.	Shanghai Kangcheng Health Technology Co., Ltd (上海康橙健康科技有限公司)	298.8452	0.2490%	Equity contribution	By May 31, 2021
45.	Zhuhai Hengqin Yuanyan Technology Partnership (Limited Partnership) (珠海橫琴原炎科技合夥企業(有限合夥))	298.8452	0.2490%	Equity contribution	By May 31, 2021
46.	Jiangsu Jiequan Tianhui Sumintou Health Industry Fund (Limited Partnership)(江蘇捷泉天匯蘇民投健康產業基金(有限合夥))	298.8452	0.2490%	Equity contribution	By May 31, 2021
47.	Foshan Hongtao Kexuan Equity Investment Partnership (Limited Partnership)	280	0.2333%	Shares converted from net assets	September 19, 2020
48.	Shanghai Hutong Investment Center (Limited Partnership) (上海胡桐投資中心(有限合夥))	269	0.2242%	Currency	By December 31, 2020
49.	Bole Ma (馬伯樂)	240	0.2000%	Currency	By May 31, 2021
50.	Zhuhai Ruijin Technology Partnership (Limited Partnership) (珠海瑞進科技合夥企業(有限合夥))	223.6523	0.1864%	Equity contribution	By May 31, 2021
51.	Qingdao Huakong Growth Equity Investment Partnership (Limited Partnership) (青島華控成長股權投資合夥企業(有限合夥))	213.6	0.1780%	Currency	By May 31, 2021
52.	Shenzhen Fenghong Investment Co., Ltd.	200	0.1667%	Shares converted from net assets	September 19, 2020
53.	Tibet Zhiming Yuanyang Technology Development Co., Ltd.	188	0.1567%	Shares converted from net assets	September 19, 2020
54.	Langma No. 25 (Shenzhen) Venture Capital Center (Limited Partnership)	180	0.1500%	Shares converted from net assets	September 19, 2020

No.	Name of shareholders	Number of shares held ('0,000 shares)	Shareholding percentage	Form of contribution	Date of contribution
55.	Langma No. 23 (Shenzhen) Venture Capital Center (Limited Partnership)	160	0.1333%	Shares converted from net assets	September 19, 2020
56.	Langma No. 24 (Shenzhen) Venture Capital Center (Limited Partnership)	160	0.1333%	Shares converted from net assets	September 19, 2020
57.	Wenkai CHEN (陳文凱)	150	0.1250%	Currency	By December 31, 2020
58.	Shanghai Lancheng Chengchun Equity Investment Fund Partnership (Limited Partnership)	138.4615	0.1154%	Shares converted from net assets	September 19, 2020
59.	Shenzhen Tongchuang Wenjian Equity Investment Fund Partnership (Limited Partnership) (深圳同創穩健股權投資基金合夥企業(有限合夥))	128.08	0.1067%	Currency	By May 31, 2021
60.	Shenzhen CMB Gongying Equity Investment Partnership Enterprise (Limited Partnership)	125	0.1042%	Shares converted from net assets	September 19, 2020
61.	Shenzhen Tongchuang Jiazhi Investment Partnership (Limited Partnership)	116	0.0967%	Shares converted from net assets	September 19, 2020
62.	Laobaixing Pharmaceutical Group Co., Ltd. (老百姓醫藥集團有限公司)	115	0.0958%	Currency	By May 31, 2021
63.	Hainan Jiashui Trading Co., Ltd.	100	0.0875%	Shares converted from net assets	September 19, 2020
		5		Currency	By May 31, 2021
64.	Hua WU (吳華)	85	0.0708%	Currency	By May 31, 2021
65.	Suqian Lingdao Life Evergreen Equity Investment Partnership (Limited Partnership) (宿遷領道生命常青股權投資合夥企業(有限合夥))	81	0.0675%	Currency	By December 31, 2020
66.	Shenzhen Chongshi Private Equity Investment Fund Management Co., Ltd. (深圳崇石私募股權投資基金管理有限公司)	21	0.0175%	Currency	By May 31, 2021
67.	Tibet Jiaze Venture Capital Co., Ltd. (西藏嘉澤創業投資有限公司)	5	0.0042%	Currency	By May 31, 2021
<b>Total</b>		<b>119,999.9999</b>	<b>100.0000%</b>	-	-

**Article 21** The registered capital of the Company is RMB1,211,062,599. The equity structure of the Company is: 1,211,062,599 ordinary shares, including 718,888,888 unlisted RMB ordinary shares and 492,173,711 H shares (including 481,111,111 overseas listed foreign shares converted from domestic shares).

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

**Article 22** Based on its operating and development needs, the Company may, pursuant to the laws and regulations and resolutions made at shareholders' general meetings, increase its registered capital in the following ways:

- (I) public offering of shares;
- (II) private placement of shares;
- (III) allotment or distribution of new shares to existing shareholders;
- (IV) conversion of funds in the capital reserve to share capital;
- (V) any other means stipulated in the laws and administrative regulations and approved by relevant regulatory authorities.

After the Company's increase of share capital by means of the issuance of new shares has been approved in accordance with the Articles of Association, it shall be made in accordance with the procedures set out in the relevant national laws and administrative regulations and Hong Kong Listing Rules.

**Article 23** The Company may reduce its registered capital. The Company shall reduce its registered capital pursuant to the Company Law, other relevant provisions and procedures specified in the Articles of Association.

**Article 24** The Company may, in accordance with the provisions set out in the laws, administrative regulations, departmental rules and the Articles of Association, repurchase its shares under the following circumstances:

- (I) reduction of the registered capital of the Company;
- (II) merger with another company holding shares of the Company;
- (III) use of shares for employee stock ownership plans or equity incentives;
- (IV) request to the Company to acquire the shares from shareholders who vote against any resolution adopted at the shareholders' general meeting on the merger or division of the Company;
- (V) use of shares for conversion of corporate bonds convertible into shares issued by the Company;
- (VI) necessity for maintaining company value and protecting shareholders' equity;
- (VII) any other circumstances stipulated in the laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed.

The Company shall not trade its shares except in the aforesaid circumstances.

The Company's repurchase of shares on the grounds set out in (I) and (II) above shall require approval by way of a resolution passed by the shareholders' general meeting. For the Company's repurchase of shares under any of the circumstances stipulated in (III), (V) or (VI) above, a resolution of the Board of Directors shall be made by a two-thirds majority of directors attending the meeting as authorized by the shareholders' general meeting.

After the Company has repurchased its shares in accordance with the above provisions, such shares shall be cancelled within 10 days after repurchase in the circumstance set out in (I), or shall be transferred or cancelled within six months in the circumstances set out in (II) and (IV). The shares held in total by the Company after repurchase of shares under any of the circumstances stipulated in (III), (V) or (VI) shall not exceed 10% of the Company's total outstanding shares, and shall be transferred or cancelled within three years.

Where the Company repurchases its shares, it shall fulfil its obligation of information disclosure in accordance with the laws.

**Article 25** The Company may repurchase its shares in a manner permitted by laws, administrative regulations and regulatory authorities.

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

**Article 26** Unless otherwise provided by laws, administrative regulations, requirements of the securities regulatory authority of the place where the Company's shares are listed and the Hong Kong Listing Rules, shares of the Company shall be freely transferable and shall also be free from all liens. The shares of the Company may be donated, inherited and pledged in accordance with the relevant laws, administrative regulations and the Articles of Association. Transfer of the Company's shares shall be registered with the local share registry entrusted by the Company.

**Article 27** All transfers of H shares of the Company shall be executed with a written transfer document in a general or ordinary format or any other format accepted by the Board (including the standard transfer format or transfer form specified by the Hong Kong Stock Exchange from time to time); the said written transfer document may be signed by hand, or be stamped with the valid corporate seal (if the transferor or the transferee is a company). Where the transferor or transferee is a recognized clearing house (hereinafter referred to as the "**Recognized Clearing House**") as defined by relevant regulations in the laws of Hong Kong effective from time to time, or any of its agents, the written transfer document may be signed by hand or print. All transfer documents shall be kept at the legal address of the Company or other place designated by the Board from time to time.

**Article 28** The Company shall not accept any of its own shares as the subject of pledge right.

**Article 29** Shares of the Company held by promoters shall not be transferred for a period of one year after the Company's establishment. Shares issued prior to the Company's public offering of shares shall not be transferred for a period of one year from the date of listing and trading of the Company's shares on the stock exchange.

The directors, supervisors and senior management of the Company shall declare to the Company the shares held by them in the Company and the changes therein, and shall not transfer more than 25% of the total number of shares held by them in the Company each year during their term of office; their shares in the Company shall not be transferred within one year from the date of listing and trading of the Company's shares. The shares of the Company held by the above – mentioned persons shall not be transferred within six months after their departure from office.

If there are other requirements for restrictions on the transfer of overseas listed shares imposed by securities regulatory authority of the place where the Company's shares are listed, such requirements shall prevail.

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

**Article 30** Share certificates of the Company shall be in registered form. In addition to those provided in Company Law, a share certificate of the Company shall also contain any other items required to be specified by the stock exchange where the Company's shares are listed.

Overseas listed shares issued by the Company may take the form of an overseas depository receipt or other derivative of a share certificate in accordance with the law of the place where the Company's shares are listed and the practice of the registration and depository of securities.

**Article 31** The Company shall establish a register of shareholders based on the certificates provided by the securities registration authorities and in accordance with the laws, regulations and regulatory documents, the Hong Kong Listing Rules and other requirements. The register of shareholders shall be the sufficient evidence of the shareholders' shareholding in the Company.

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

#### **Section 1 Shareholders**

**Article 32** A shareholder is entitled to rights and assumes obligations pursuant to the classification and ratio of his/her shares. Shareholders holding the same classification of shares shall be entitled to the same rights and assume the same obligations.

**Article 33** When the Company convenes the shareholders' general meeting, distributes dividends, goes into liquidation or is involved in other actions that require the confirmation the shareholders' identities, the Board of Directors or the convener of the shareholders' general meeting shall determine a record date for the determination of shareholdings, and the shareholders whose names are registered on the register of shareholders at closing on the record date shall be the shareholders entitled to the relevant interests.

Where the Hong Kong Listing Rules contain provisions which stipulate the period of closure of the register of shareholders prior to a shareholders' general meeting or prior to the reference date set by the Company for the purpose of distribution of dividends, such provisions shall prevail.

**Article 34** The rights of the Company's holders of ordinary shares are as follows:

- (I) to receive distribution of dividends and other forms of benefits according to the number of shares held;
- (II) to legally require, convene, preside over, participate in or appoint a shareholder proxy to participate in the shareholders' general meeting and exercise corresponding rights to speak and vote; unless the shareholder shall surrender voting rights on relevant matters pursuant to the requirement of the Hong Kong Listing Rules;
- (III) to supervise the Company's business operations, put forward proposals or raise enquiries;
- (IV) to transfer, give as gift or pledge the shares held in accordance with the laws, administrative regulations and the Articles of Association;
- (V) to inspect the Articles of Association, register of shareholders, corporate bond stubs, minutes of general meetings, resolutions of meetings of the Board of Directors, resolutions of meetings of the Supervisory Committee and financial accounting reports;
- (VI) in the event of the termination or liquidation of the Company, to participate in the distribution of the remaining assets of the Company in proportion to the number of shares held;
- (VII) with respect to shareholders who voted against any resolution adopted at the shareholders' general meeting on the merger or demerger of the Company, to demand the Company to buy back the shares held by them;
- (VIII) any other rights stipulated in the laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The Company shall not exercise any of its rights to freeze or otherwise prejudice any of the rights attaching to any shares of the Company only by reason that persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.

The Hong Kong branch of the register of shareholders must be available for inspection by shareholders. However, the Company is allowed to close the register of members on terms equivalent to that of section 632 of the Companies Ordinance (The Laws of Hong Kong).

**Article 35** Where a shareholder asks to review the information mentioned in the preceding Article or makes a request for information, he or she shall submit to the Company written documents evidencing the classification and number of shares he or she holds. The Company shall provide information as requested by the shareholder after authenticating his or her identity.

**Article 36** Where the content of a resolution of the shareholders' general meeting or the Board meeting of the Company violates laws or administrative regulations, the shareholders shall be entitled to request the People's Court to hold it invalid.

If the convening procedure or voting method of a shareholders' general meeting or Board meeting violates laws, administrative regulations or the Articles of Association, or if the content of a resolution violates the Articles of Association, the shareholders shall be entitled to request the People's Court to revoke the resolution within 60 days from the date it was made.

**Article 37** In the event of any loss caused to the Company as a result of violation of any laws, administrative regulations or the Articles of Association by the directors or senior management when performing their duties in the Company, the shareholders holding 1% or more shares of the Company separately or jointly for over 180 consecutive days may submit a written request to the Supervisory Committee to file an action with the People's Court. Where supervisors violate laws, administrative regulations or the Articles of Association in their duty performance and cause loss to the Company, the above shareholders may submit a written request to the Board of Directors to file an action with the People's Court.

In the event that the Supervisory Committee or the Board of Directors refuses to file an action upon receipt of the shareholders' written request specified in the preceding paragraph, or fails to file an action within 30 days upon receipt thereof, or in the event that the failure to immediately file an action in an emergency case will cause irreparable damage to the interests of the Company, the shareholders specified in the preceding paragraph may, in their own name, directly file an action to the People's Court for the interest of the Company.

In the event that any other person infringes upon the legitimate rights and interests of the Company and causes losses thereto, the shareholders specified in paragraph 1 of this Article may file an action with the People's Court pursuant to the provisions of the preceding two paragraphs.

**Article 38** In the event that a director or senior management violates laws, administrative regulations or the Articles of Association, thereby damaging the interests of the shareholder(s), the shareholder(s) may file an action with the People's Court.

**Article 39** The shareholders of the Company shall have the following obligations:

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



Shareholders of the Company who abuse their shareholders' rights and thereby cause loss to the Company or other shareholders shall be liable for indemnity according to the law. Where shareholders of the Company abuse the Company's position as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

**Article 40** Where a shareholder holding 5% or more voting shares of the Company pledges any shares in his/her possession, he/she shall make a written report to the Company on the day on which he/she pledges his/her shares.

**Article 41** The controlling shareholders and de facto controllers of the Company shall not use their connections to harm the interests of the Company. Any person who violates this provision and causes losses to the Company shall be liable for compensation.

The controlling shareholders and de facto controllers of the Company shall have fiduciary duties towards the Company and other shareholders of the Company. The controlling shareholders shall exercise their rights as contributors in strict compliance with the laws. The controlling shareholders shall not infringe the legitimate rights of the Company and other shareholders of the Company through profit distribution, asset restructuring, foreign investment, capital appropriation, loan guarantee and connected transactions, and shall not make use of their controlling status to jeopardize the interests of the Company and other shareholders of the Company.

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

**Article 42** The shareholders' general meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with the laws:

- (I) to decide on the Company's operational policies and investment plans;
- (II) to elect and remove directors and supervisors represented by shareholders and to decide on matters relating to the remuneration of directors and supervisors;
- (III) to consider and approve reports of the Board of Directors;
- (IV) to consider and approve reports of the Supervisory Committee;
- (V) to consider and approve the Company's proposals for annual financial budget and final accounts;
- (VI) to consider and approve the Company's profit distribution plans and loss recovery plans;
- (VII) to decide on any increase or reduction of the Company's registered capital;
- (VIII) to decide on the issue of corporate bonds or other securities and listing scheme of the Company;
- (IX) to decide on issues such as merger, division, dissolution, liquidation and change of form of the Company;

- (X) to amend the Articles of Association;
- (XI) to decide on the engagement, dismissal or non-renewal of the accounting firm of the Company and the remuneration of the accounting firm;
- (XII) to consider and approve the external guarantees subject to the approval of the shareholders' general meeting as provided for in the Articles of Association;
- (XIII) to consider the purchase or disposal of substantial assets of the Company with an amount exceeding 30% of the latest audited total assets of the Company within one year;
- (XIV) to consider and approve major transactions and connected transactions that should be considered and approved by the shareholders' general meeting under the laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed and the Articles of Association;
- (XV) to consider equity incentive plans and employee stock ownership plans;
- (XVI) to consider other matters which are required to be determined at the shareholders' general meeting as required by laws, administrative regulations, departmental rules, Hong Kong Listing Rules or the Articles of Association.

Where laws, regulations or the regulatory rules of the place where the Company's shares are listed contain other mandatory provisions on the matters and relevant standards to be considered at the shareholders' general meeting, such provisions shall prevail. Subject to the mandatory provisions of laws and regulations and the relevant laws and regulations of the listing place, the shareholders' general meeting may authorize or entrust the Board to handle any matters authorized or entrusted thereto.

**Article 43** The Company shall not, without the prior approval at a shareholders' general meeting, enter into any contract with any party (other than the directors, supervisors, general manager and other senior management), pursuant to which such party shall be in charge of management of all of the Company's businesses or the Company's major businesses.

**Article 44** The following external guarantees of the Company shall be considered and approved by the shareholders' general meeting:

- (I) any guarantees provided after the total amount of external guarantees provided by the Company and its holding subsidiaries has exceeded 50% of the latest audited net assets of the Company;
- (II) any guarantees provided after the total amount of external guarantees provided by the Company has reached or exceeded 30% of the latest audited total assets;
- (III) any guarantees provided to companies with an asset-liability ratio exceeding 70%;
- (IV) according to the principle of accumulated amount of guarantee within 12 consecutive months, any guarantees provided by the Company after the total amount of external guarantees has exceeded 30% of the latest audited total assets of the Company;

- (V) guarantees provided for shareholders, de facto controllers and their related parties;
- (VI) a single guarantee with the amount exceeding 10% of the latest audited net assets of the Company;
- (VII) other guarantees stipulated by laws, regulations, regulatory documents, regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Matters concerning the above-mentioned external guarantees that are subject to the approval of the shareholders' general meeting must be considered and approved by the Board before they are submitted to the shareholders' general meeting for approval. When the shareholders' general meeting considers the guarantees mentioned in (IV) of this Article, it must be approved by more than two thirds of the voting rights held by the shareholders attending at the meeting.

The Board shall be entitled to consider and approve external guarantees other than those subject to the approval of the shareholders' general meeting as aforesaid.

When the shareholders' general meeting is considering a proposal to provide guarantees for any shareholder, de facto controller and their related parties, the said shareholder or the shareholders controlled by the said de facto controller shall abstain from voting on such proposal, and the proposal of other guarantees other than in (IV) of this Article shall be subject to approval by more than a majority of the voting rights of the other attending shareholders.

**Article 45** Shareholders' general meetings include annual general meetings and extraordinary general meetings. Annual general meetings shall be held by the Company once every year and within six months from the close of the preceding fiscal year.

**Article 46** The Company shall convene an extraordinary general meeting within 2 months upon the occurrence of the following events:

- (I) the number of directors is less than the number as stipulated in Company Law or less than two thirds of the number as specified in the Articles of Association;
- (II) the unrecovered losses of the Company amount to one third of the total amount of its paid-up share capital;
- (III) the shareholder(s) individually or collectively holding 10% or more of the issued and outstanding voting shares of the Company request(s) in writing to convene an extraordinary general meeting (the number of shares held is calculated on the date of the shareholder's written request);
- (IV) whenever the Board considers it necessary;
- (V) when the Supervisory Committee proposes to hold such a meeting;
- (VI) Any other circumstances as stipulated in the laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed or the Articles of Association.

**Article 47** The Company shall set a venue for the shareholders' general meeting, and the place for holding a shareholders' general meeting of the Company shall be the domicile of the Company or such place as specified in the notice of shareholders' general meeting.

The Board of the Company may convene a general meeting by way of an on-site meeting or an online meeting in accordance with the specific circumstances and shall, where applicable, comply with the laws, administrative regulations, the securities regulatory authorities of the place where the Company's shares are listed, the Hong Kong Listing Rules, or the Articles of Association, and the Company will provide a network or other means to facilitate the participation of shareholders in the general meeting.

The shareholders who participate in the shareholders' general meeting through the above – mentioned methods shall be deemed to attend the meeting.

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

**Article 48** The shareholders' general meeting shall be convened by the Board; where the Board is unable to perform or fails to perform its duty to convene a shareholders' general meeting, the Supervisory Committee shall promptly convene it; where the Supervisory Committee does not convene it, the shareholder(s) individually or collectively holding 10% or more of the shares of the Company for more than 90 consecutive days may convene the meeting on their own.

**Article 49** The independent directors shall have the right to propose to the Board to convene an extraordinary general meeting. In response to a proposal by an independent director to convene an extraordinary general meeting, the Board shall, in accordance with the provisions of laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association, give a written response as to whether or not it agrees to convene an extraordinary general meeting within 10 days upon receipt of such proposal.

If the Board agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days after resolution of the Board is passed; if the Board does not agree to convene the extraordinary general meeting, it shall make announcement with relevant explanations.

If there are other requirements imposed by securities regulatory authority of the place where the Company's shares are listed, such requirements shall prevail.

**Article 50** The Supervisory Committee shall have the right to propose to the Board to convene an extraordinary general meeting. Such proposal shall be made to the Board in writing. The Board shall give a written response as to whether or not it agrees to convene such an extraordinary general meeting within 10 days upon receipt of the proposal in accordance with the requirements of the laws, administrative regulations, Hong Kong Listing Rules and the Articles of Association.

If the Board agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days after resolution of the Board is passed. Any change made to the original proposal in the notice shall be approved by the Supervisory Committee.

If the Board does not agree to convene the extraordinary general meeting, or fails to make a response within 10 days upon receipt of the proposal, it shall be deemed that the Board is unable to perform or fails to perform its duty to convene a shareholders' general meeting, the Supervisory Committee may convene and preside over the meeting by itself.

**Article 51** Shareholder(s) individually or collectively holding 10% or more of the shares of the Company shall have the right to request the Board to convene an extraordinary general meeting. Such request shall be made to the Board in writing and the request to add resolutions to the meeting agenda shall also be made. The Board shall give a written response as to whether or not it agrees to convene such an extraordinary general meeting within 10 days upon receipt of the request in accordance with the requirements of the laws, administrative regulations, Hong Kong Listing Rules and the Articles of Association.

If the Board agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days after resolution of the Board is passed. Any change made to the original request in the notice shall be approved by the relevant shareholders.

If the Board does not agree to convene the extraordinary general meeting, or fails to make a response within 10 days upon receipt of the request, the shareholder(s) individually or collectively holding 10% or more of the shares of the Company shall have the right to propose to the Supervisory Committee to convene the extraordinary general meeting. Such request shall be made to the Supervisory Committee in writing.

If the Supervisory Committee agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days upon receipt of the request. Any change made to the original proposal in the notice shall be approved by the relevant shareholders.

If the Supervisory Committee fails to issue a notice of the shareholders' general meeting within a specified period, it shall be deemed that the Supervisory Committee shall not convene and preside over the shareholders' general meeting, the shareholder(s) individually or collectively holding 10% or more of the shares of the Company for more than 90 consecutive days may convene and preside over the meeting by himself/herself/themselves.

**Article 52** If the Supervisory Committee or shareholders decide(s) to convene the shareholders' general meeting by itself/themselves, it/they shall issue a written notice to the Board.

Prior to the announcement of the resolutions of the shareholders' general meeting, the shares held by the convening shareholder(s) shall not be less than 10% of the shares of the Company.

**Article 53** As for the shareholders' general meeting convened by the Supervisory Committee or shareholders, the Board and the secretary of the Board shall coordinate accordingly. The Board shall provide the register of shareholders as of the equity registration date.

**Article 54** All necessary expenses incurred by the Supervisory Committee or the shareholders to convene a shareholders' general meeting shall be borne by the Company.

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

**Article 55** The contents of a proposal shall be within the scope of the duties and powers of the shareholders' general meeting, have definite themes and specific matters for resolutions, as well as be in compliance with the relevant requirements of the laws, administrative regulations, Hong Kong Listing Rules and the Articles of Association.

**Article 56** The Board, the Supervisory Committee, and shareholder(s) individually or jointly holding more than 3% of the Company's shares shall have the right to make a proposal to the Company at a shareholders' general meeting of the Company.

The shareholder(s) individually or jointly holding more than 3% of the Company's shares may make provisional proposals in writing to the convener of a shareholders' general meeting 10 days prior to the meeting. The convener shall issue a supplementary notice of the shareholders' general meeting and announce the contents of such provisional proposals within two days after receipt thereof.

Except as provided by the preceding paragraph, the convener of a shareholders' general meeting shall not amend the proposals already specified in the notice of the shareholders' general meeting or add new proposals subsequent to the issue of the notice of the shareholders' general meeting.

Proposals which are not specified in the notice of the shareholders' general meeting or which do not comply with the Articles of Association shall not be voted on and resolved at the shareholders' general meeting.

**Article 57** The convener shall notify shareholders by announcement at least 21 days prior to the date of the annual general meeting and at least 15 days prior to the date of the extraordinary general meeting. If the laws, regulations and the securities regulatory authority of the place where the Company's shares are listed provide otherwise, such provisions shall prevail.

No resolution shall be passed at a general meeting on any matter not specified in the notice.

**Article 58** Notice of shareholders' general meeting shall be made in writing and shall include the following content:

- (I) the date, venue, and duration of the meeting;
- (II) matters and proposals to be considered at the meeting;
- (III) an express statement that a shareholder is entitled to attend the shareholders' general meeting, and to appoint proxy(ies) to attend and vote on his/her behalf at the meeting, and that a proxy need not be a shareholder of the Company;
- (IV) the record date for determining the shareholders who are entitled to attend the shareholders' general meeting;
- (V) the name and phone number of the coordinator of the meeting;

(VI) the time and procedures for voting online or by other means;

(VII) other circumstances stipulated in the laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

The notice of shareholders' general meeting and its supplementary notice shall include the provisions under the Hong Kong Listing Rules and the Articles of Association, and shall fully, completely and accurately disclose and explain the details of all proposals. If the matters to be discussed require the opinions of the independent directors, the opinions of the independent directors and the reasons therefor shall be disclosed at the same time when the notice of shareholders' general meeting or its supplementary notice is issued.

**Article 59** If the elections of directors and supervisors are intended to be discussed at the shareholders' general meeting, the notice of the shareholders' general meeting shall fully disclose the details of the candidates for the role of directors and supervisors, and shall at least include the following particulars:

- (I) personal particulars, such as education level, work experience and any part-time work undertaken;
- (II) whether there is any connected relationship with the Company or with the controlling shareholders and de facto controllers of the Company;
- (III) disclosure of their shareholding in the Company.

The election of each director and supervisor shall be voted upon on a separate basis.

**Article 60** After the notice on convening the shareholders' general meeting sent out, the shareholders' general meeting shall not be postponed or cancelled and the proposal listed in the notice of shareholders' general meeting shall not be cancelled without justifiable causes. In the case of any circumstance for postponement or cancellation of the meeting, the convener shall make an announcement and explain the reasons at least two business days before the date for the planned shareholders' general meeting. If the Company changes the venue or time of a shareholders' general meeting, it shall give full prior notice to the shareholders.

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

**Article 61** The Board of the Company and other conveners shall take necessary measures to ensure the normal order of a shareholders' general meeting. They shall take measures to prevent any interference with the shareholders' general meeting, disturbance and violation of the legitimate rights and interests of shareholders and promptly report the same to the relevant departments for investigation.

**Article 62** At the time of the shareholders' general meeting, all shareholders registered on the register of shareholders on the equity registration date or their proxies shall be entitled to attend the shareholders' general meeting and exercise their voting rights in accordance with the relevant laws, regulations and the Articles of Association.

**Article 63** Any shareholder shall be entitled to attend the meeting in person, or appoint a proxy to attend and vote on his/her behalf.

**Article 64** An individual shareholder who attends the meeting in person should produce his/her ID card or other valid documents or certificates that can prove his/her identity; a proxy who attends the meeting upon entrustment by a shareholder should produce his/her valid ID card and the power of attorney issued by the shareholder.

Institutional shareholders should assign his/her legal representative (principal) or a proxy authorized by the legal representative (principal) to attend the meeting. Where a legal representative (principal) attends the meeting, he/she should produce his/her ID card, and the valid certificate proving that he/she has the qualification of legal representative (principal); where an entrusted proxy attends the meeting, the proxy should produce his/her ID card, a written power of attorney issued by the legal representative (principal) of the institutional shareholder unit in accordance with the laws.

**Article 65** A proxy of attorney issued by a shareholder to entrust another person as his/her proxy to attend the shareholders' general meeting, shall contain the following:

- (I) The name or title of the principal and the name and other identification information of the proxy;
- (II) the number of shares held by the principal as represented by the proxy;
- (III) whether the proxy has the voting right or not;
- (IV) separate instructions as to whether to cast affirmative, negative or abstention votes on each review issue listed on the agenda of the shareholders' general meeting;
- (V) the issuing date and validity period of the power of proxy;
- (VI) the signature (or seal) of the principal; if the principal is a corporate shareholder, the power of attorney shall also be stamped with the seal of the legal entity or signed by its director or duly appointed agent or person.

The power of attorney shall indicate that the shareholder proxy can vote according to his/her own opinions if the shareholder does not make specific instructions.

**Article 66** Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one or more persons (who may or may not be a shareholder of the Company) as his/her/its proxy to attend and vote on his/her/its behalf. In the case of a corporate shareholder, a proxy may be appointed to attend and vote at any general meeting of the Company, and such corporate shareholder shall be deemed to be present in person at any such meeting if a proxy so authorized is present thereat. A corporate shareholder may execute a form of proxy under the hand of a duly authorized officer. A proxy so appointed may exercise the following rights pursuant to the authorization from such shareholder:

- (I) such shareholder's right to speak at the meeting;
- (II) the right to demand a poll individually or jointly with others;
- (III) the right to vote by hand or on a poll, except that, where a shareholder has appointed more than one proxy, the proxies only have the right to vote on a poll.



**Article 67** Where a power of attorney is signed by another person authorized by the principal, the power of attorney authorizing the signature or other authorization documents shall be notarized. A notarized copy of that power of attorney or other authorization documents, together with the power of attorney appointing a proxy with the authority to vote, shall be deposited at the domicile of the Company or such other place as specified in the notice of the meeting.

Where the principal is an institutional shareholder, its legal representative (principal) or any other persons authorized by resolution of its Board or other decision-making body shall attend the shareholders' general meetings of the Company on its behalf.

Where such shareholder is a recognized clearing house (or its proxy) defined by the relevant ordinances stipulated in Hong Kong from time to time, it may authorize one or more persons it considers appropriate as its representative(s) at any shareholders' general meeting; however, if more than one person is so authorized, the power of attorney shall specify the involved number and class of shares in respect of which each such person is so authorized, and shall be signed by an authorized officer of the recognized clearing house. The person so authorized can represent the recognized clearing house (or its proxy) to attend the meeting (without the need of producing any documents of title, notarized authorization and/or further evidence to substantiate that he/she is so authorized) and exercise its right, as if he/she was an individual shareholder of the Company.

**Article 68** The register of the persons attending the meeting shall be prepared by the Company. The register shall set out the names of the persons attending the meeting (or names of the entity they are from), their identity card numbers, residential addresses, numbers of shares held or representing voting rights and names of the proxies (or names of the entity they are from).

**Article 69** The convener and the lawyer engaged by the Company shall jointly verify the qualification of the shareholders according to the register of shareholders provided by the securities registration and clearing organization, and register the name (or title) of each shareholder and the number of shares with voting rights he/she holds. The meeting registration shall be terminated by the time the presider of the meeting announces the number of shareholders and proxies present at the meeting as well as the total number of shares with voting rights they hold.

**Article 70** When a shareholders' general meeting is held, all the directors, supervisors and the secretary of the Board shall attend the meeting, and the general manager and other senior management shall attend the meeting as nonvoting delegates.

**Article 71** The shareholders' general meeting shall be convened by the Board and presided over by the chairman of the Board. Where the chairman cannot or fails to perform his/her duties, half of the directors or more shall jointly recommend one director to preside over the meeting. If no presider of the meeting is appointed, a person may be elected at the shareholders' general meeting to act as the presider of the meeting. If the shareholders are unable to elect a presider of the meeting for any reason, the shareholder present who holds the greatest number of voting shares (including proxy thereof other than Hong Kong Securities Clearing Company Limited) shall preside over the meeting.

A shareholders' general meeting convened by the Supervisory Committee itself shall be presided over by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee is unable or fails to perform his/her duties, one supervisor shall be elected jointly by half or more of the supervisors to preside over the meeting.

The shareholders' general meeting convened by shareholder(s) itself/themselves shall be presided over by a representative elected by the convener.

When a shareholders' general meeting is held and the presider violates the Rules of Procedure in a way that makes it difficult for the shareholders' general meeting to continue, a person may be elected at the shareholders' general meeting to act as the presider of the meeting so as to carry on with the meeting, subject to the approval of more than one half of the attending shareholders with voting rights.

**Article 72** The Company shall formulate the Rules of Procedure for the Shareholders' General Meeting, which shall provide detailed provisions for the convening and voting procedures of the shareholders' general meeting, including notice, registration, consideration of proposals, voting, vote counting, announcement of voting results, formation of meeting resolutions, minutes and signing, as well as the principle of authorization of the Board by the shareholders' general meeting. The authorization content should be clear and specific. The Rules of Procedure for the Shareholders' General Meeting shall be made as an appendix to the Articles of Association, prepared by the Board and approved by the shareholders' general meeting.

**Article 73** At the annual general meeting, the Board and the Supervisory Committee shall report on their work over the past year to the shareholders' general meeting.

**Article 74** The directors, supervisors and senior management shall make explanation and interpretation on the inquiry and suggestions of the shareholders at the shareholders' general meeting.

**Article 75** The presider of the meeting shall announce the number of shareholders and proxies present at the meeting and the total number of shares with voting rights they hold before voting. The number of shareholders and proxies present at the meeting and the total number of shares with voting rights they hold shall be based on the meeting register.

**Article 76** Minutes of a shareholders' general meeting shall be kept by the secretary of the Board of Directors. The minutes of the meeting shall specify:

- (I) time, venue and agenda of the meeting, and the name or title of the convener;
- (II) the names of the presider of the meeting, and the directors, supervisors, general manager and other senior management members attending or present at the meeting;
- (III) the number of shareholders and proxies attending the meeting, the total number of voting shares they represent and the proportion of these shares to the total number of shares of the Company;
- (IV) the consideration process, summaries of speeches and voting result for each proposal;
- (V) inquiries or suggestions of the shareholders, and the corresponding responses or explanations;
- (VI) the names of the counting officer and monitoring officer;
- (VII) other contents that shall be recorded in the minutes of the meeting in accordance with the Articles of Association.

**Article 77** The convener shall ensure the minutes of the meeting are true, accurate and complete. The attending directors, supervisors, secretary of the Board of Directors, convener or representative thereof, and presider of the meeting shall sign the minutes of the meeting. The minutes of the meeting, the signed attendance record of those shareholders on the spot and the power of attorney for attendance by proxy, and the valid information relating to the voting over network or by other means shall be kept for at least 10 years.

**Article 78** The convener shall ensure that the shareholders' general meeting does not end until a final resolution is made. In case the shareholders' general meeting is suspended or the shareholders' general meeting is prevented from passing a resolution due to force majeure or other special reasons, necessary measures shall be taken to reconvene the meeting as soon as possible or to directly terminate the meeting.

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

**Article 79** The resolutions of shareholders' general meetings shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution shall be adopted by more than one half of the votes held by the shareholders (including proxies of shareholders) attending the shareholders' general meeting.

A special resolution shall be adopted by more than two thirds of the votes held by the shareholders (including proxies of shareholders) attending the shareholders' general meeting.

**Article 80** The following matters shall be approved by the shareholders' general meeting through ordinary resolutions:

- (I) work reports of the Board of Directors and the Supervisory Committee;
- (II) profit distribution plans and loss recovery plans drafted by the Board of Directors;
- (III) appointment or dismissal of the members of the Board of Directors and the Supervisory Committee, their remunerations and the method of payment thereof;
- (IV) the Company's annual budgets and final accounts;
- (V) annual report of the Company;
- (VI) other matters other than those approved by special resolution as stipulated in the laws, administrative regulations, regulatory rules of the place where the Company's shares are listed or the Articles of Association.

**Article 81** The following matters shall be approved by special resolution at the shareholders' general meeting:

- (I) the increase or decrease of the registered capital of the Company;

- (II) division, merger, dissolution and liquidation of the Company or the change of form of the Company;
- (III) amendment of the Articles of Association;
- (IV) substantial assets acquired or disposed of or security provided by the Company for an amount exceeding 30% of the latest audited total assets of the Company within one year;
- (V) equity incentive plans;
- (VI) other matters as required by the laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed or the Articles of Association, and confirmed by an ordinary resolution at a shareholders' general meeting that it may have a material impact on the Company and accordingly shall be approved by special resolutions.

**Article 82** Shareholders (including proxies thereof) who vote at a shareholders' general meeting shall exercise their voting rights in accordance with the number of voting shares represented by them, and each share carries the right to one vote.

Where any shareholder is required to waive his/her voting rights or is restricted to cast only affirmative or dissenting vote on a certain issue in accordance with the Hong Kong Listing Rules, the said shareholder shall observe the aforesaid rules; any vote cast by any shareholder or proxy thereof in violation of the relevant provisions or restrictions shall not be counted into the voting results.

The Company has no voting right for the shares it holds, and such part of shares shall be excluded from the total number of voting shares represented by the shareholders attending the shareholders' general meeting.

The Hong Kong Securities Clearing Company shall have the right to appoint proxies or legal representatives to attend the shareholders' general meeting and the creditors' meeting of the Company, and such proxies or legal representatives shall enjoy the same rights as other shareholders (including the right to speak and to vote). If the proxies or legal representatives appointed by the Hong Kong Securities Clearing Company are prohibited from enjoying the above rights according to the laws and regulations of the People's Republic of China, the Company and the Hong Kong Securities Clearing Company shall make necessary arrangements to ensure that the Hong Kong investors holding shares through the Hong Kong Securities Clearing Company enjoy the right to vote, to attend (in person or by proxy) and to speak.

If any laws, administrative regulations and regulatory rules of the place where the Company's shares are listed require that any shareholder shall abstain from voting or is restricted to cast only affirmative or dissenting vote on a certain proposal, any vote cast by the shareholder or proxy thereof in violation of the aforesaid provisions or restrictions shall not be counted into the voting results.

**Article 83** Where relevant connected transactions (as defined in the Hong Kong Listing Rules) are considered at a shareholders' general meeting, the connected persons and their associates (as defined in the Hong Kong Listing Rules) shall not participate in voting and the number of voting shares represented by them shall not be counted in the total number of valid votes; the announcement of any resolution of the shareholders' general meeting shall adequately disclose the voting by unconnected persons.

Before connected transactions are considered at a shareholders' general meeting, the Company shall determine the scope of connected shareholders in accordance with relevant laws, regulations and regulatory documents. Connected persons or their authorized representatives may attend shareholders' general meetings and present their views to the attending shareholders in accordance with the procedures of the meeting, but shall abstain from voting on a poll.

When relevant connected transactions are considered at a shareholders' general meeting, the connected shareholders shall proactively abstain from voting. If connected shareholders do not proactively abstain from voting, other shareholders attending the meeting shall be entitled to require them to abstain from voting. Upon abstention of the connected persons, other shareholders shall vote as per their voting rights and adopt corresponding resolutions in accordance with the Articles of Association; the presider of the meeting shall declare the number of attending shareholders and proxies (other than connected persons) as well as the total number of their voting shares.

Resolution at a shareholders' general meeting on a connected transaction shall be passed by votes representing more than one half of the voting rights held by unconnected persons attending the shareholders' general meeting. However, if the connected transaction involves a matter requiring a special resolution under the Articles of Association, the resolution of the shareholders' general meeting shall be passed by votes representing more than two thirds of the voting rights held by unconnected persons attending the shareholders' general meeting.

If a connected person or his/her associate participates in voting in contravention of this Article, his/her vote on relevant connected transactions shall be void.

**Article 84** The Company shall provide convenience for shareholders to attend shareholders' general meetings by various methods and means, provided that the shareholders' general meeting shall be held legally and validly.

**Article 85** List of director or supervisor candidates shall be submitted by way of proposal at shareholders' general meetings.

**Article 86** All proposals shall be voted on one by one at the shareholders' general meeting; in the event of several proposals for the same issue, such proposals shall be voted on and resolved in the order of time at which they are submitted. Unless the shareholders' general meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused at the shareholders' general meeting.

**Article 87** No amendment shall be made to a proposal when it is considered at a shareholders' general meeting, otherwise, the relevant amendment shall be deemed as a new proposal and shall not be voted on at the shareholders' general meeting.

**Article 88** Except for proposals in relation to procedural or administrative matters of the shareholders' general meeting which can be voted upon by a show of hands as decided by the chairman of the meeting in good faith, the voting at the shareholders' general meeting shall be conducted by a registered poll.

The above procedural and administrative matters shall:

- (I) not be set out in the agenda of the shareholders' general meeting or any supplementary circular to shareholders; and
- (II) involve the duties of the presider of the meeting to keep the meeting in order and/or to allow the affairs of the meeting to be handled more properly and efficiently and give all shareholders a reasonable opportunity to express their views.

**Article 89** If the issue required to be voted by ballot relates to election of chairman of the meeting or termination of meeting, voting by ballot shall be conducted immediately; in respect of other issues required to be voted by ballot, the chairman of the meeting may decide the time of voting by ballot, and the meeting may proceed to consider other issues, and the voting results shall be deemed as resolutions passed at the said meeting.

**Article 90** When proposals are voted on at the shareholders' general meeting, the shareholders' representative, supervisors' representative and other relevant persons appointed in accordance with the Hong Kong Listing Rules shall be jointly responsible for the counting and monitoring of the votes as per the Hong Kong Listing Rules and shall announce the voting results on the spot, which voting results shall be recorded in the meeting minutes.

**Article 91** Shareholders' general meetings may be held onsite or in other ways permitted by laws and regulations.

A shareholders' general meeting shall not be concluded earlier at the venue than over the network or otherwise, and the presider of the meeting shall announce details and results of the voting on every proposal and announce whether the proposal is passed or not according to the voting result.

Before the voting result is formally announced, the relevant parties including the Company, counting officer, monitoring officer and substantial shareholders involved at the shareholders' general meeting shall have the confidentiality obligation.

**Article 92** Shareholders attending the shareholders' general meeting shall present one of the following views on the proposals submitted for voting: for, against or abstention. The securities registration and clearing organization shall be the nominal holder of shares under the Mainland China and Hong Kong Stock Connect scheme, except where declaration is made in accordance with the actual holder's intent.

Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as "abstentions".

Where the same voting right is exercised more than once, the voting result of the first time shall prevail.

**Article 93** If the presider of the meeting has any doubt as to the result of any resolution put to vote, he/she may have the votes counted. If the presider of the meeting has not counted the votes, any attending shareholder or proxy thereof who objects to the result announced by the presider of the meeting may demand that the votes be counted immediately after the declaration of the voting result, and the presider of the meeting shall have the votes counted immediately.

**Article 94** The resolutions of the shareholders' general meeting shall be announced in a prompt manner according to relevant laws, regulations, departmental rules, regulatory documents, regulatory rules of the place where the Company's shares are listed or the Articles of Association, and the announcement on resolutions shall state the number of shareholders and proxies attending the meeting, the total number of voting shares held by them and the proportion of these shares to the total number of voting shares of the Company, the total number of shares required to abstain from casting affirmative votes on individual proposals and/or the total number of shares required to abstain from voting (if any) in accordance with the regulatory rules of the place where the Company's shares are listed and whether the shareholders who shall abstain from voting waive the voting rights, the form of voting, the voting result of each proposal and the detailed content of each resolution passed.

**Article 95** Where a proposal on election of directors or supervisors is passed at the shareholders' general meeting, the directors elected or supervisors elected shall take office on the date when the resolution on election of the directors or supervisors is passed at the shareholders' general meeting.

## **CHAPTER 5 BOARD OF DIRECTORS**

### **Section 1 Directors**

**Article 96** Directors shall be elected or replaced at the shareholders' general meetings each for a term of three years. A director may seek reelection upon expiry of the said term.

The term of office of a director shall commence from the date on which the said director assumes office to the expiry of the current term of the Board of Directors. If the term of office of a director expires but re-election is not made in a timely manner, the said director shall continue to perform the duties as director pursuant to the laws, administrative regulations, departmental rules and the Articles of Association until the elected director assumes his/her office.

Any person appointed as director by the Board to fill a temporary vacancy or add the quota of directors of the Board shall only serve until the first annual general meeting of the Company after his/her appointment, and the said person is eligible for re-election.

If not otherwise required by laws, regulations or the regulatory rules of the place where the Company's shares are listed, the shareholders shall have the right to remove any director (including the managing director or other executive directors) by an ordinary resolution at a shareholders' general meeting before the expiry of his/her term of office; however, the claim for compensation made by the director under any contract shall not be affected by the removal.

A director may serve concurrently as general manager or other senior management member, provided that the aggregate number of the directors who serve concurrently as general manager or other senior management members shall not exceed one half of the total number of directors of the Company.

**Article 97** Directors shall observe laws, administrative regulations and the Articles of Association, and fulfill the following obligations of honesty to the Company:

- (I) not to abuse their powers to accept bribes or other unlawful income, and not to misappropriate the Company's properties;
- (II) not to misappropriate the Company's capital;
- (III) not to deposit the Company's assets or capital into accounts under their own name or the name of other individuals;
- (IV) not to loan the Company's capital to others or provide guarantees in favor of others supported by the Company's assets in violation of the Articles of Association or without approval of the shareholders' general meeting or Board of Directors;
- (V) not to enter into contracts or deal with the Company in violation of the Articles of Association or without approval of the shareholders' general meeting;
- (VI) not to use their position to procure business opportunities for themselves or others that should have otherwise been available to the Company or operate for their own benefits or manage on behalf of others businesses similar to that of the Company without approval of the shareholders' general meeting;
- (VII) not to accept and possess commissions for transactions with the Company;
- (VIII) not to disclose any secret of the Company without permission;
- (IX) not to use their connected relations to damage the interests of the Company;
- (X) any other obligations of honesty stipulated by laws, administrative regulations, departmental rules and the Articles of Association.

Earnings obtained by directors in violation of the provisions in this Article shall belong to the Company, and such directors shall be liable for compensation for any loss incurred to the Company.

**Article 98** Directors shall observe laws, administrative regulations and the Articles of Association, and fulfill the following obligations of diligence to the Company:

- (I) to exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with national laws, administrative regulations and economic policies and are within the business scope specified in the business license;
- (II) to treat all shareholders impartially;
- (III) to keep informed of the business operations and management of the Company;
- (IV) to sign written confirmations of the regular reports issued by the Company and to ensure the information disclosed by the Company is true, accurate and complete;



(V) to honestly provide the Supervisory Committee with relevant information, and not to prevent the Supervisory Committee or supervisors from exercising their functions and powers;

(VI) any other obligations of diligence stipulated by laws, administrative regulations, departmental rules and the Articles of Association.

**Article 99** If any director fails to attend in person (the director shall be deemed to be present in person if he attends or votes at the Board meetings by correspondence or via circulation of written proposal) or appoint other directors to attend the Board meetings for two consecutive times, such director shall be deemed incapable of performing his/her duties, and the Board of Directors shall propose to replace such director at the shareholders' general meeting.

**Article 100** A director may resign before expiry of his/her term of office. The resigning director shall submit a written resignation to the Board of Directors. The Board of Directors will disclose relevant information within two days.

In the event that the resignation of any director results in the number of members of the Board of Directors of the Company being less than the statutory minimum requirement, the said director shall continue to perform duties as director pursuant to the laws, administrative regulations, departmental rules and the Articles of Association until the elected director assumes his/her office.

Save for the circumstances in the preceding paragraph, the resignation of a director shall become effective upon submission of his/her resignation to the Board of Directors.

**Article 101** If resignation of a director takes effect or if his/her term of office expires, the said director shall go through all handover formalities with the Board. His/her obligations of honesty to the Company and shareholders thereof shall not terminate automatically at the end of his/her term of office. His confidentiality obligation in respect of trade secrets of the Company survives the termination of his/her term of office until such secrets become publicly known. Duration of other obligations of honesty shall be determined following the principle of fairness, taking into full account the nature of the matter, its importance to the Company, the length of time it has affected the Company and the relationship with the director.

**Article 102** No director shall act on behalf of the Company or the Board of Directors in his/her personal capacity, unless specified in the Articles of Association or legally authorized by the Board of Directors. In the event that a director acts in his/her personal capacity, but a third party may reasonably think the said director is acting on behalf of the Company or the Board of Directors, such director shall state his/her stance and capacity in advance.

**Article 103** If any director violates the laws, administrative regulations, departmental rules or the Articles of Association in fulfilling his/her duties to the Company, thereby incurring any loss of the Company, the said director shall be liable for compensation.

**Article 104** The Company has independent directors (equivalent to independent non – executive directors as referred to in the Hong Kong Listing Rules). The qualifications, nomination and election procedures, term of office, resignation, functions and powers and other relevant issues of the independent directors shall be subject to relevant provisions of the laws, administrative regulations, departmental rules and regulatory rules of the place where the Company’s shares are listed. Except as otherwise provided by this Chapter, the provisions relating to the qualifications and obligations of directors in the Articles of Association shall apply to independent directors.

**Article 105** Independent directors shall perform their duties honestly, safeguard the Company’s interest and in particular, prevent encroachment of the legitimate rights and interests of public shareholders, so as to ensure the sufficient representation of the interests of all shareholders. The functions and powers and other relevant issues of the independent directors shall be subject to the laws, administrative regulations, departmental rules and regulatory rules of the place where the Company’s shares are listed.

## **Section 2 Board of Directors**

**Article 106** The Company shall have a Board of Directors, which is responsible to the shareholders’ general meeting.

**Article 107** The Board of Directors shall consist of 11 directors, with one chairman (being the chairman of the Board of Directors). At all times, the Board of Directors shall have more than one third independent directors, and the total number of independent directors shall not be less than four. At least one independent director shall have appropriate professional qualifications in line with regulatory requirements or be equipped with appropriate accounting or relevant financial management expertise.

**Article 108** The Board of Directors is responsible to the shareholders’ general meeting and exercises the following functions and powers:

- (I) to convene the shareholders’ general meeting and report on work to the shareholders’ general meeting;
- (II) to implement the resolutions of the shareholders’ general meeting;
- (III) to determine the business and investment plans of the Company;
- (IV) to devise the annual financial budget and closing account plans of the Company;
- (V) to devise the profit distribution plans and loss recovery plans of the Company;
- (VI) to formulate the plans for increasing or decreasing the Company’s registered capital, the issuance of bonds or other securities, as well as the listing of the Company;
- (VII) to formulate plans for major acquisitions of the Company, the buy-back of shares of the Company, or merger, division, dissolution and change of the form of the Company;
- (VIII) to determine such matters as the Company’s external investment, purchase or sale of assets, asset pledge, external guarantee, entrusting wealth management, connected transaction and external financing within the scope authorized by the shareholders’ general meeting;

- (IX) to determine such matters as investment, purchase or sale of assets, financing and connected transaction which shall be determined by the Board of Directors pursuant to the listing rules of the stock exchange where the Company's shares are listed;
- (X) to decide on the setup of the Company's internal management organization;
- (XI) to appoint or dismiss the general manager (CEO/president) of the Company, the secretary of the Board of Directors; based on the nomination of the general manager (CEO/president), to appoint or dismiss senior management members of the Company such as deputy general manager (executive president) and finance manager (CFO) and determine their remunerations and rewards and punishments;
- (XII) to set the basic management systems of the Company;
- (XIII) to make the modification plan to the Articles of Association;
- (XIV) to propose the appointment or replacement of the accounting firm that performs audits for the Company at the shareholders' general meeting;
- (XV) to attend to the work report of the Company's general manager (CEO/president) and review the work of the general manager (CEO/president);
- (XVI) to manage the disclosure of company information;
- (XVII) other powers and duties authorized by the laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed or the Articles of Association.

**Article 109** The Board of Directors shall establish the Rules of Procedure for Meetings of the Board of Directors to ensure that the Board of Directors implements the resolutions of the shareholders' general meeting, to improve work efficiency and ensure scientific decision-making. The Rules of Procedure for Meetings of the Board of Directors shall be annexed to the Articles of Association and shall be prepared by the Board of Directors and approved by the shareholders' general meeting.

**Article 110** The Board of Directors shall determine the authority of external investment, purchase or sale of assets, asset pledge, external guarantee, entrusting wealth management and connected transaction, establish strict review and decision-making procedures, and organize relevant experts and professionals to review major investment projects and report them to the shareholders' general meeting for approval.

**Article 111** The chairman of the Board of Directors shall be elected and dismissed by a majority of all directors. The term of office of the chairman shall be three years and is renewable upon re-election.

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

- (I) to preside over the shareholders' general meetings and to convene and preside over Board meetings;
- (II) to supervise and inspect the implementation of resolutions of the Board of Directors;
- (III) to sign share certificates, debentures and other marketable securities of the Company;
- (IV) to sign important documents of the Board of Directors;
- (V) in the event of any urgent situation due to force majeure such as catastrophic natural disasters, to exercise special powers of disposal in relation to the Company's affairs in compliance with legal requirements and in the interests of the Company and subsequently report such activities to the Board of Directors and the shareholders' general meeting;
- (VI) to exercise other functions and powers granted by the Board of Directors or by laws, administrative regulations or regulatory rules of the place where the Company's shares are listed.

The authorization of the Board of Directors to the chairman of the Board of Directors shall be clearly made by means of a resolution of the Board of Directors, and there shall be clear and specific authorization matters, contents and authority. Any matters involving the significant interests of the Company shall be determined collectively by the Board of Directors and shall not be determined by the chairman or any individual director on their own upon authorization.

**Article 113** In the event that the chairman of the Board of Directors is unable to or does not perform his/her duties, a director elected by more than one half of all directors may perform his/her duties.

**Article 114** The Board of Directors shall discuss matters by holding a Board meeting, and Board meetings shall be classified as regular meetings and interim meetings. Regular Board meetings shall be held at least four times a year and shall be convened by the chairman of the Board of Directors with written notice to all directors and supervisors 14 days prior to the meeting. The chairman shall hold a meeting with the independent directors without the presence of other directors at least once a year.

**Article 115** Shareholders representing more than one tenth of the voting rights, more than one third of the directors, more than half of the independent directors or the Supervisory Committee, the chairman or the general manager may propose to convene an interim Board meeting. The chairman shall convene and preside over a Board meeting within 10 days from the receipt of the proposal.

**Article 116** Notice of an interim Board meeting shall be delivered in writing to all directors and supervisors three days prior to the meeting. If the situation is urgent and it is necessary to convene an interim Board meeting as soon as possible, the notice of the meeting may be served without the time limitation of the preceding paragraph.

**Article 117** The notice of the Board meeting shall include at least the following:

- (I) date and venue of the meeting;
- (II) duration of the meeting;
- (III) subject matter and topic;
- (IV) date of issuance of notice;
- (V) means for holding of meeting.

**Article 118** The Board meeting shall be attended by more than one half of the directors. Resolutions made by the Board of Directors shall be approved by a majority of all directors. When the Board of Directors considers the Company's external guarantee, the resolution shall also be approved by at least two thirds of the directors present at the Board meeting.

Voting on the resolutions of the Board of Directors shall be conducted on a one-person-one – vote basis.

**Article 119** Where a director or any of his/her close associates (as defined in the Hong Kong Listing Rules) has a material interest or connection in a matter proposed by the Board, such director shall not exercise the right to vote on that resolution, nor shall he/she vote on behalf of other directors or be counted in the quorum present at the meeting when such matter is considered by the Board. Such Board meeting may be held with the attendance of a majority of the unrelated directors, and resolutions made at the Board meeting shall be approved by a majority of the unrelated directors present at the meeting. If the number of unrelated directors present at the Board meeting is less than three, the matter shall be submitted to the shareholders' general meeting for consideration.

**Article 120** Voting at Board meetings shall be conducted by open ballot or by show of hands.

Board meetings may be held on site or by written circular.

If the Board meeting is held on site, telephone, video or other real-time communication methods may be used to facilitate the participation of the directors in the Board meeting on the premise that the directors can fully express their opinions, and the directors who participate in the Board meeting through the above-mentioned methods shall be deemed to attend the on-site meeting.

If a Board meeting is held by telephone, video or other real-time communication method, it shall be ensured that the participating directors can hear the speeches of other directors and communicate with each other. Board meetings held in such manner shall be audio – or video – recorded. If the directors are unable to sign the resolutions of the meetings in real time at such meetings, they shall vote orally and complete the formalities of signing in writing as soon as possible. The oral vote of a director shall have the same effect as a written signature, provided that the subsequent written signature is consistent with the oral vote at the meeting. In the event of any inconsistency between such written signature and the oral vote, the oral vote shall prevail.

If a Board meeting is held by written circular, that is, a resolution on a proposal is made by separate delivery for consideration or by circulation for consideration, the directors or other directors delegated by them shall write on the resolution or voting ballot the opinion in favor of, against or abstaining from voting. The resolution shall become effective once the number of directors who have signed and agreed on the resolution has reached the quorum required by the Articles of Association for adopting a resolution. When a Board meeting is convened by written circular, the reasons shall be stated and the voting matter and relevant background information shall be sent to all directors at least three days prior to the voting.

**Article 121** Board meetings shall be attended by the directors themselves; if a director is unable to attend for any reason, he/she may appoint another director in writing to attend on his/her behalf, and the power of attorney shall contain the name of the attorney, the matters to be represented, the scope of authorization and the validity period, and shall be signed or sealed by the attorney. The director attending the meeting on other's behalf shall exercise the rights of director within the scope of authorization. If a director fails to attend a Board meeting or appoint a representative to attend on his/her behalf, such director shall be deemed to have waived his/her right to vote at such meeting.

**Article 122** The Board of Directors shall keep minutes of resolutions on matters discussed at the meeting, and the attending directors shall sign on the minutes of the meeting.

The minutes of the Board meeting shall be kept and archived by the Company for a period of not less than 10 years.

**Article 123** The minutes of the Board meeting shall include the following:

- (I) date and venue of the meeting and name of the convener;
- (II) names of the directors present and names of the directors (proxies) appointed by others to attend the Board meeting;
- (III) agenda of the meeting;
- (IV) highlights of directors' speeches;
- (V) voting form and results of each resolution (the voting results shall contain the number of affirmative, negative or abstention votes).

### **Section 3 Special Committees under the Board of Directors**

**Article 124** The Board of Directors of the Company shall establish an Audit Committee and, when necessary, relevant special committees such as Nomination, Remuneration and Appraisal, Strategy, Compliance and Risk Control Committees. The special committees shall be accountable to the Board of Directors and shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Their proposals shall be submitted to the Board of Directors for consideration and decision. The members of each special committee shall be composed entirely of directors, and more than one half of the members of the Audit Committee, Nomination Committee and Remuneration and Appraisal Committee shall be independent directors. The convener of the Audit Committee shall be an independent director who is an accounting professional, the convener of the Remuneration and Appraisal Committee shall be an independent director, and the convener of the Nomination Committee shall be the chairman of the Board of Directors or an independent director. All members of the Audit Committee shall be non-executive directors or independent directors. At least one member shall be an independent director with appropriate professional qualifications as required by the Hong Kong Listing Rules or appropriate accounting or related financial management expertise. The person in charge of each special committee shall be appointed and dismissed by the Board.

**Article 125** The Board of Directors is responsible for formulating the rules of procedure and working procedures of each special committee, stipulating the composition, powers and procedures of the special committees and regulating the operation of the special committees.

**Article 126** These special committees are special working bodies under the Board of Directors which provide advice or advisory opinions for the Board of Directors on material decisions. The special committees shall not make any decision in the name of the Board of Directors. However, the committees may exercise decision-making power in respect to the authorized matters in accordance with the special powers bestowed by the Board of Directors.

**Article 127** Each special committee may engage intermediaries to provide professional opinions according to actual needs, and the related costs shall be borne by the Company.

Each special committee is accountable and reports its work to the Board of Directors.

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

**Article 128** The Company shall have one general manager (CEO/president), and shall have a deputy general manager (executive president), finance manager (CFO), and secretary of the Board of Directors, all of whom shall be appointed or dismissed by the Board of Directors.

**Article 129** In the exercise of his/her powers, the general manager (CEO/president) and other senior management members of the Company shall fulfil his/her duties of good faith and diligence in accordance with the laws, administrative regulations and the Articles of Association.

**Article 130** A person who holds a position other than director in the Company's controlling shareholder or de facto controller unit shall not serve as senior management member of the Company.

**Article 131** Each term of office of the general manager (CEO/president) is three years and is renewable upon re-election.

**Article 132** The general manager (CEO/president) is responsible to the Board of Directors and exercises the following powers:

- (I) to be in charge of the production and operational management of the Company, organize the enforcement of resolutions of the Board of Directors and report to the Board of Directors on work;
- (II) to organize the implementation of the annual operation plans and investment schemes of the Company;
- (III) to formulate the structure scheme of the internal management department of the Company;
- (IV) to formulate the fundamental management policies of the Company;
- (V) to formulate the specific management rules of the Company;
- (VI) to propose to the Board of Directors the appointment or dismissal of the Company's deputy general manager (executive president) and finance manager (CFO);
- (VII) to decide on the appointment or dismissal of responsible management personnel except those whose appointment or dismissal shall be determined by the Board of Directors;
- (VIII) to make decisions on matters such as the Company's external investment, asset disposal, and connected transactions in accordance with the authorization of the Company's Board of Directors and the shareholders' general meeting;
- (IX) to decide on and sign business contracts during daily operations on behalf of the Company;
- (X) to review various expenses incurred during daily operation and management activities, and sign and issue daily administrative and business documents;
- (XI) to formulate the scheme of salary, welfare, reward and punishment for the employees of the Company, and decide on the employment and dismissal of the employees;
- (XII) other functions and powers authorized by the Articles of Association and the Board of Directors.

The general manager (CEO/president) shall attend the Board meetings without voting rights; if the general manager (CEO/president) is not a director of the Company, he/she shall not have the right to vote at Board meetings.

**Article 133** The general manager (CEO/president) shall establish the working rules of the CEO and submit them to the Board of Directors for approval before implementation.



**Article 134** The CEO's working rules shall include the following:

- (I) conditions and procedures for convening a general manager (CEO/president) meeting and participants;
- (II) the respective specific responsibilities of the general manager (CEO/president) and other senior management members and their division of labor;
- (III) use of the Company's funds and assets, the authority to enter into major contracts, and the system of reporting to the Board of Directors and the Supervisory Committee;
- (IV) any other matters deemed necessary by the Board of Directors.

**Article 135** The general manager (CEO/president) and other senior management members may resign before the expiration of their term of office. The specific procedures and methods of resignation shall be stipulated in the employment contract between the aforementioned persons and the Company.

**Article 136** The deputy general manager (executive president) and the finance manager (CFO) shall be nominated by the general manager and appointed and dismissed by the Board of Directors.

**Article 137** The Company shall have a secretary of the Board of Directors, who shall be a natural person with the requisite professional knowledge and experience, and shall be appointed by the Board of Directors. His/her primary duties include:

- (I) to ensure that the Company has complete organizational documents and records;
- (II) to ensure that the Company prepares and submits reports and documents required by the competent authorities in accordance with the law;
- (III) to ensure that the Company's register of shareholders is properly established and to keep the Company's register of shareholders and register of directors and senior management members, as well as the documents and minutes of meetings of the shareholders' general meeting, the Board of Directors, and the special committees under the Board of Directors, and to ensure that those who are entitled to access the relevant records and documents of the Company are provided with the relevant records and documents in a timely manner;
- (IV) to be responsible for the Company's information disclosure matters and to ensure the timeliness, accuracy, legality, truthfulness and completeness of the Company's information disclosure;
- (V) any other duties as required by the listing rules of the stock exchange where the Company's shares are listed.

**Article 138** Any senior management member who violates any laws, administrative regulations, departmental rules or the Articles of Association during the course of performing his/her duties to the Company and causes losses to the Company shall be liable for compensation.

## **CHAPTER 7 THE SUPERVISORY COMMITTEE**

### **Section 1 Supervisors**

**Article 139** Directors, the general manager (CEO/the president) and other senior management members shall not serve as supervisors concurrently.

**Article 140** The supervisors shall observe the laws, administrative regulations and the Articles of Association, shall fulfil the obligations of honesty and diligence to the Company, shall carry out their supervision duties faithfully, and shall not abuse their official powers to accept bribes or other unlawful income or expropriate the Company's property.

**Article 141** Supervisors shall serve a term of three years and the term is renewable upon re – election when it expires.

**Article 142** If the term of office of a supervisor expires but re-election is not made in a timely manner or if any supervisor resigns during his term of office so that the membership of the Supervisory Committee falls short of the quorum, the said supervisor shall continue to perform the duties as supervisor pursuant to the laws, administrative regulations and the Articles of Association until the elected supervisor assumes his office.

**Article 143** A supervisor may attend Board meetings without voting rights and make inquiries or suggestions in relation to the resolutions of Board meetings.

**Article 144** Supervisors shall not abuse their association relationship to damage the interests of the Company, and shall compensate for any losses caused to the Company.

**Article 145** If any supervisor violates the laws, administrative regulations, departmental rules or the Articles of Association in fulfilling his/her duties to the Company, thereby incurring any loss of the Company, the said supervisor shall be liable for compensation.

### **Section 2 The Supervisory Committee**

**Article 146** The Company shall have a Supervisory Committee. The Supervisory Committee is comprised of three supervisors, one of whom shall act as the chairman of the Supervisory Committee. The appointment and dismissal of the chairman of the Supervisory Committee shall be subject to the approval of at least a majority of its members by voting. Meetings of the Supervisory Committee shall be convened and presided over by the chairman of the Supervisory Committee; if the chairman of the Supervisory Committee is unable or fails to perform his/her duties, a supervisor who has been elected by more than one half of the supervisors shall convene and preside over the meeting of the Supervisory Committee.

The Supervisory Committee shall comprise shareholder representatives and an appropriate proportion of employee representatives, which proportion shall not be less than one third. The employee representatives in the Supervisory Committee shall be elected democratically by the employees of the Company at the employee representatives' meeting, employees' meeting or in other forms.

**Article 147** The Supervisory Committee shall exercise the following functions and powers:

- (I) to examine the financial operations of the Company; to examine the regular reports of the Company prepared by the Board of Directors and produce written opinions thereon;
- (II) to supervise the performance of duties to the Company by the directors and senior management, and propose dismissal of any director or senior management member who violates the laws, administrative regulations, the Articles of Association or resolutions of shareholders' general meeting;
- (III) to require directors and senior management members to make corrections if their conduct has damaged the interests of the Company;
- (IV) to propose the convening of an extraordinary general meeting, and to convene and preside over the shareholders' general meeting when the Board of Directors fails to perform such duties as specified in the Company Law and the Articles of Association;
- (V) to submit proposals to the shareholders' general meeting;
- (VI) to institute legal proceedings against the directors and senior management members according to law;
- (VII) in the event that the Supervisory Committee discovers any unusual operation of the Company, it may conduct an investigation and, when necessary, may engage professionals, such as accounting firms and law firms, to assist in its work; any expenses incurred thereby shall be borne by the Company;
- (VIII) to exercise other functions and powers as specified in the Articles of Association.

**Article 148** The Supervisory Committee considers issues at meetings of the Supervisory Committee, at which each attendant shall cast one vote, by open ballot or in writing or otherwise. Meetings of the Supervisory Committee include regular meetings and interim meetings. Regular meetings of the Supervisory Committee shall be held once every six months and at least twice every year and shall be convened by the chairman of the Supervisory Committee. Supervisors may propose to convene interim meetings of the Supervisory Committee.

If a supervisor fails to attend meetings of the Supervisory Committee in person (a supervisor who attends or votes at a meeting of the Supervisory Committee by means of communications or written circular is deemed to be present in person) for two consecutive times and does not appoint another supervisor to attend the said meeting, he/she shall be deemed unable to perform his/her duties and shall be replaced by the shareholders' general meeting or the employee representatives' meeting.

**Article 149** All supervisors shall be notified 10 days before a regular meeting of the Supervisory Committee is convened, or 3 days before an interim meeting is convened. Where the extraordinary meeting of the Board of Supervisors is needed to be held as soon as possible under an emergency situation, the delivery of the notice regarding the forthcoming meeting shall not be subject to the time-limit specified above.

**Article 150** The notice of a meeting of the Supervisory Committee shall at least specify:

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

**Article 151** Meetings of the Supervisory Committee may be held on site or by means of written circular. Provided that the supervisors can fully express their views, a meeting of the Supervisory Committee may also be held by means of communications.

At an onsite meeting of the Supervisory Committee, telephone, video or other methods of real-time communications can be adopted to provide convenience for the attending supervisors. Supervisors who attend a meeting of the Supervisory Committee by the aforesaid methods shall be deemed as having attended the onsite meeting.

If a meeting of the Supervisory Committee is held by telephone, video or other methods of real-time communications, it shall be ensured that the attending supervisors can hear other supervisors and communicate with each other. Meetings of the Supervisory Committee held in such manner shall be audio or video recorded. If the supervisors are unable to sign the resolutions in real time at such meetings, they shall take a voice vote and complete written signature procedures as soon as possible. The voice vote of supervisors shall have the same effect as the written signature, provided that the subsequent written signature is consistent with the voice vote taken at the meeting. In the event of any inconsistency between such written signature and the voice vote, the voice vote shall prevail.

If a meeting of the Supervisory Committee is convened by written circular, i.e. a resolution on a proposal is made by separate delivery for consideration or by circulation for consideration, the supervisors or other supervisors appointed by them shall state their opinions of pros, cons or abstentions from voting on the resolution or on the voting ballot, and the resolution shall become effective once the number of supervisors who have signed in favor of the resolution has reached the quorum required by the Articles of Association. If a meeting of the Supervisory Committee is convened by written circular, the reasons shall be stated and the matters to be voted on and relevant background information shall be sent to all supervisors at least three days prior to the voting.

Meetings of the Supervisory Committee shall be attended by more than one half of the supervisors. Voting at meetings of the Supervisory Committee shall be conducted by open ballot, and each supervisor shall have one vote. A supervisor shall attend meetings of the Supervisory Committee in person. If a supervisor is unable to attend the meeting for any reason, he/she may appoint in writing another supervisor to attend the meeting on his/her behalf. The power of attorney shall specify the name of the proxy, the matters to be handled in proxy, the scope of authorization and validity period, and shall bear the signature or seal of the principal. The supervisor attending the meeting as proxy shall exercise the rights of a supervisor within the scope of authorization.

Resolutions of the Supervisory Committee shall be passed by the affirmative votes of more than half of the supervisors.

**Article 152** The Supervisory Committee shall formulate rules of procedure for meetings of the Supervisor Committee specifying the deliberation method and voting procedure thereof, to ensure the work efficiency and scientific decision-making of the Supervisory Committee.

**Article 153** The Supervisory Committee shall keep minutes of resolutions on matters discussed at the meeting, and the attending supervisors shall sign on the minutes of the meeting.

A supervisor is entitled to request that an explanatory note be made with regard to his/her speech at the meeting. The minutes of meetings of the Supervisory Committee shall be kept as archives of the Company for at least 10 years.

In case of voting by correspondence, supervisors shall, after confirming their votes by signing their written opinions and voting intentions on the matters considered, fax the same to the office of Supervisory Committee. Supervisors who vote by correspondence shall submit the signed original copy of the voting paper to the Supervisory Committee within the period specified in the notice of meeting.

## **CHAPTER 8 QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, SUPERVISORS, GENERAL MANAGER AND OTHER SENIOR MANAGEMENT MEMBERS OF THE COMPANY**

**Article 154** The following persons shall not serve as a director, supervisor, the general manager (CEO/president), or other senior management member of the Company:

- (I) a person without or with limited capacity for civil conduct;
- (II) a person who has been sentenced for corruption, bribery, infringement of property, misappropriation of property or damaging the social economic order, where less than five years have elapsed since the sentence was served, or who has been deprived of his/her political rights due to criminal offense, where less than five years have elapsed since the sentence was served;
- (III) a person who is a former director, factory manager or general manager of a company or enterprise which was bankrupted due to poor operation and who is personally liable for the bankruptcy of such company or enterprise, where less than three years have elapsed since the date of completion of the bankruptcy and liquidation of such company or enterprise;
- (IV) a person who is a former legal representative of a company or enterprise, the business license of which was revoked due to violation of law, and who is personally liable for such violation, where less than three years have elapsed since the date of the revocation of business license of such company or enterprise;
- (V) a person who has a relatively large amount of debt which has become overdue and remained outstanding;
- (VI) other persons as prescribed in the laws, administrative regulations, departmental rules, regulatory documents, and relevant regulatory authorities.

If a director, supervisor, general manager (CEO/president) or other senior management member is elected, appointed or employed in violation of the provisions of this Article, such election, appointment or employment shall be null and void. The Company shall dismiss any director, supervisor, general manager (CEO/president) or other senior management member involved in any of the circumstances described herein during his/her term of office.

## **CHAPTER 9 FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT**

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

**Article 155** The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the provisions stipulated by the relevant authorities of the PRC. If the securities regulatory authority of the place where the Company's shares are listed have special provisions, such provisions shall apply.

**Article 156** At the end of each accounting year, the Company shall prepare a financial report which shall be audited by the accounting firm according to law.

**Article 157** The Company's financial reports shall be made available for shareholders' inspection at the Company 21 days prior to the date of the annual general meeting.

For holders of overseas listed shares, subject to the satisfaction of the requirements of laws, administrative regulations and the securities regulatory authority of the place where the Company's shares are listed, delivery may be made by means of publication on the website of the Company, the website of Hong Kong Stock Exchange and other websites as prescribed by the Hong Kong Listing Rules from time to time.

**Article 158** The Company shall not maintain books of accounts other than those provided for by law. The Company's assets shall not be deposited in an account maintained in the name of any individual.

**Article 159** In distributing the after-tax profit of the current year, the Company shall withdraw 10% of the profit as its statutory reserve fund. When the aggregate amount of the statutory reserve fund of the Company is more than 50% of its registered capital, further appropriations are not required.

Where the statutory reserve fund of the Company is insufficient to make up for the losses of the previous year, the profits of the current year shall be used to make up for such losses before making allocation to its statutory reserve fund in accordance with the preceding paragraph.

After withdrawing statutory reserve fund from after-tax profit, the Company may, subject to a resolution of the shareholders' general meeting, withdraw discretionary reserve fund from after-tax profit.

After making up for the losses and making allocations to the reserve funds, any remaining after-tax profit shall be distributed by the Company to the shareholders in proportion to their respective shareholdings unless otherwise specified in the Articles of Association.

If the shareholders' general meeting has, in violation of the provisions of the preceding paragraph, distributed profits to shareholders before the Company has made up for its losses and made allocations to its statutory reserve fund, the shareholders shall return to the Company the profit distributed in violation of the provisions.

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

The reserve fund of the Company can be used for making up for losses of the Company, expanding the Company's production and operation or increasing the registered capital of the Company, but the capital reserve fund cannot be used for making up for losses of the Company.

Where the statutory reserve fund is converted into registered capital, the balance of the reserve fund shall not fall below 25% of the Company's registered capital prior to such conversion.

**Article 160** After the profit distribution plan is adopted at the shareholders' general meeting, the Board of Directors of the Company shall finish distributing dividends (or shares) within two months after convening of the shareholders' general meeting.

**Article 161** The Company may distribute profit in cash or in the form of shares.

## **Section 2 Appointment of Accountant Firm**

**Article 162** The Company shall engage an accounting firm which complies with the requirements of the Securities Law to audit the financial statements, net assets verification and other relevant consultancy services. The term of office of an accounting firm appointed by the Company shall be one year, and the appointment may be renewed.

**Article 163** Engagement of accounting firms for the Company and remunerations of accounting firms shall be determined by the shareholders' general meeting by ordinary resolution, prior to which the Board of Directors shall not appoint any accounting firm.

**Article 164** The Company shall provide the accounting firm appointed with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information. The Company shall not refuse to provide or hide the same or make false reports.

**Article 165** The audit fees of an accounting firm shall be determined by the shareholders' general meeting.

**Article 166** If the Company proposes to remove the accounting firm or not to renew the appointment thereof, it should notify the accounting firm 30 days in advance, and the accounting firm has the right to state its opinions at the shareholders' general meeting at which its removal is voted on.

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

## CHAPTER 10 NOTICE AND ANNOUNCEMENT

**Article 167** The notices of the Company (including but not limited to the notices of convening the shareholders' general meetings, Board meetings, meetings of the Supervisory Committee) may be served as follows:

- (I) by hand;
- (II) by fax;
- (III) by post;
- (IV) by email;
- (V) by announcements on the websites designated by the Company and the Hong Kong Stock Exchange in accordance with the laws, administrative regulations and the listing rules of the stock exchange where the Company's shares are listed;
- (VI) by announcement;
- (VII) by announcements in the newspapers and other designated media;
- (VIII) by any other means as approved by the securities regulatory authority of the place where the Company's shares are listed or as specified in the Articles of Association.

There is no prohibition on the giving of notice to shareholders whose registered address is outside Hong Kong in the Articles of Association.

If a notice of the Company is served by announcement, the said notice shall be deemed as received by all the relevant persons once the said notice is announced. If the securities regulatory authority of the place where the Company's shares are listed has special provisions, such provisions shall apply.

Except as otherwise provided in the Articles of Association, and subject to the relevant provisions of the securities regulatory authority of the place where the Company's shares are listed, the Company may elect to issue its corporate communications in the form as provided in (V) of the first paragraph of this Article in lieu of delivering its written documents to all of the holders of H shares by hand or mail.

Where power is taken to give notice by advertisement, such advertisement may be published in the newspapers and there is no prohibition on the giving of notice to shareholders whose registered address is outside Hong Kong.



**Article 168** The date on which the notice of the Company is served:

- (I) if the notice of the Company is served by hand, the recipient or its agent shall affix signature (or seal) to the return on service and the signing date shall be the date of service;
- (II) if the notice of the Company is served by fax, the date the fax is sent shall be the date of service;
- (III) if the notice is served by post, the second business day after the notice is posted shall be the date of service;
- (IV) if the notice is served by email, the day the email is sent shall be the date of service;
- (V) if the notice of the Company is served by announcement, the date of first announcement shall be the date of service.

**Article 169** The accidental omission to give notice of the meeting to, or the non-receipt of notice of the meeting by, any person entitled to receive notice shall not invalidate the meeting or the resolutions passed at the meeting.

## **CHAPTER 11 MERGER, DIVISION, INCREASE AND DECREASE OF CAPITAL, DISSOLUTION AND LIQUIDATION**

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

**Article 170** The merger of the Company may take the form of either merger by absorption or merger by establishment of a new entity.

Merger by absorption means that a company absorbing another company and the company being absorbed shall be dissolved. Merger by establishment of a new entity means that a merger of two or more companies through the establishment of a new company and the companies being consolidated shall be dissolved.

**Article 171** In the event of a merger, the parties to the merger shall enter into a merger agreement, and prepare balance sheets and inventories of assets. The Company shall notify its creditors within 10 days from the date on which the resolution is adopted in favour of the merger and shall publish an announcement in a newspaper within 30 days from the date of such resolution. A creditor has the right to require the Company to repay its debts or to provide a corresponding guarantee for such debts within 30 days from the date it receives the relevant notice or, in case that a creditor did not receive such notice, within 45 days from the date of the relevant announcement.

**Article 172** Upon the merger, claims and debts of each party to the merger shall be assumed by the company which survives the merger or the newly established company resulting from the merger.

**Article 173** In the event of a division of the Company, its assets shall be divided up accordingly.

In the event of a division, the parties to the division shall enter into a division agreement, and prepare balance sheets and inventories of assets. The Company shall notify its creditors within 10 days from the date on which a resolution is adopted in favour of the division and shall publish announcements in newspapers within 30 days from the date of such resolution.

**Article 174** Unless otherwise agreed in writing between the Company and its creditors in relation to the repayment of debts before the division, the surviving companies after the division shall assume joint and several liability for the debts incurred by the Company before the division.

**Article 175** The Company must prepare a balance sheet and an inventory of assets when it reduces its registered capital.

The Company shall notify its creditors within 10 days from the date of the Company's resolution to reduce registered capital and shall publish an announcement in a newspaper within 30 days from the date of such resolution. A creditor has the right to require the Company to repay its debts or to provide a corresponding guarantee for such debts within 30 days from the date it receives the relevant notice or, in case that a creditor did not receive such notice, within 45 days from the date of the relevant announcement.

**Article 176** Where a merger or division of the Company involves any changes to any registration, an application for modification of registration shall be made to the companies registration authority pursuant to the law; where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with law; where a new company is established, the Company shall apply for registration thereof in accordance with law.

Where the Company increases or reduces its registered capital, it shall apply to the companies registration authority to modify its registration in accordance with law.

## **Section 2 Dissolution and Liquidation**

**Article 177** In any of the following circumstances, the Company shall be dissolved:

- (I) the term of business set out in the Articles of Association has expired;
- (II) a resolution for dissolution is passed at a shareholders' general meeting;
- (III) dissolution is necessary due to a merger or division of the Company;
- (IV) the business license is revoked, the Company is ordered to close or is eliminated according to law;
- (V) the Company has experienced material difficulties in operation and management, and the continuous operation would lead to substantial losses to the interests of its shareholders and there are no other solutions to resolve the matters. Shareholders holding 10% or more of the total voting rights of the Company's shareholders may appeal to the People's Court for dissolution of the Company;
- (VI) other grounds for dissolution as stipulated in the Articles of Association occur.

**Article 178** In the event of (I) above, the Company may carry on its existence by amending the Articles of Association.

The amendments to the Articles of Association in accordance with provisions set out above shall require approval of more than two thirds of voting rights of shareholders attending a shareholders' general meeting.

**Article 179** Where the Company is dissolved pursuant to (I), (II), (IV) and (V) of Article 177 hereof, a liquidation committee shall be formed within 15 days from the date of occurrence of such grounds for dissolution, to start the liquidation process. The composition of the liquidation committee shall be determined by directors or the shareholders' general meeting. In case no such committee is established to timely proceed with liquidation, the creditors may make an application to the People's Court for appointing relevant persons to form the liquidation committee for liquidation.

**Article 180** During the liquidation period, the liquidation committee shall exercise the following functions and powers:

- (I) to liquidate the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (II) to notify creditors through notice and public announcement;
- (III) to deal with and settle any outstanding businesses of the Company;
- (IV) to pay outstanding taxes as well as taxes arising in the course of liquidation;
- (V) to settle claims and debts;
- (VI) to dispose of the remaining assets of the Company after the repayment of debts;
- (VII) to represent the Company in any civil proceedings.

**Article 181** The liquidation committee shall notify creditors within 10 days from the date of its establishment and publish announcements in newspapers within 60 days from the date of its establishment. The creditors may declare their claims to the liquidation committee within 30 days from the date it receives the above notice or within 45 days from the date of announcement if no such notice is received.

When declaring the claims, the creditors shall specify the relevant matters about the claims and provide corresponding evidence. The liquidation committee shall register such claims.

During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.

**Article 182** After sorting out the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit it to the shareholders' general meeting or the People's Court for confirmation.

The remaining assets of the Company after payment of liquidation expenses, staff wages, social insurance expenses and statutory compensation, payment of outstanding taxes, and payment of the Company's debts shall be distributed to shareholders in proportion to the shares held by the shareholders.

During the liquidation period, the Company shall continue to exist, but shall not carry out business activities irrelevant to the liquidation. The assets of the Company shall not be distributed to any shareholder before full payments have been made out of the assets according to the preceding paragraph.

**Article 183** If, after sorting out the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee discovers that the Company's assets are insufficient to repay the Company's debts in full, the liquidation committee shall apply to the People's Court for declaration of bankruptcy.

After the Company is declared bankrupt by a ruling from the People's Court, the liquidation committee shall hand over the liquidation matters to the People's Court.

**Article 184** Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, then submitted to the shareholders' general meeting or the People's Court for confirmation, and shall be submitted to the companies registration authority for application for cancelling the registration of the Company and a public announcement shall be made for the termination of the Company.

**Article 185** Members of the liquidation committee are required to discharge their duties honestly and fulfill their obligations of liquidation according to laws.

Members of the liquidation committee shall be prohibited from abusing their powers to accept bribes or other unlawful income and from misappropriating the Company's assets.

A member of the liquidation committee is liable to indemnify the Company or its creditors in respect of any loss arising from his/her intentional or gross negligence.

**Article 186** Where the Company is declared bankrupt in accordance with laws, it shall implement bankruptcy liquidation in accordance with relevant laws relating to bankruptcy of enterprise.

## **CHAPTER 12 AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

**Article 187** The Company may amend the Articles of Association according to the provisions of laws, administrative regulations and the Articles of Association.

**Article 188** Under any of the following circumstances, the Company shall amend the Articles of Association:

- (I) after amendment has been made to the Company Law or relevant laws or administrative regulations, the contents of the Articles of Association are in conflict with the amended laws or administrative regulations;
- (II) the changes that the Company have undergone are inconsistent with the records made in the Articles of Association;
- (III) the shareholders' general meeting has resolved to amend the Articles of Association.

The shareholders' general meeting may, by ordinary resolution, authorize the Board of Directors of the Company:

- (I) should the Company increase its registered capital, the Board of Directors of the Company shall have the right to amend the contents of the Articles of Association regarding the registered capital of the Company accordingly;
- (II) should changes of the words or order of articles of the Articles of Association approved by the shareholders' general meeting be required by the relevant competent authorities, during the process of registration, examination and approval, the Board of Directors of the Company shall have the right to make corresponding amendments as requested by the competent authorities.

**Article 189** Where the amendments to the Articles of Association passed by the shareholders' general meetings are subject to the examination and approval by the competent authorities, such amendments shall be submitted to the competent authorities for approval. Where the amendments involve registration particulars of the Company, the Company shall register relevant changes according to law.

### **CHAPTER 13 SUPPLEMENTARY PROVISIONS**

#### **Article 190** Definitions

- (I) a de facto controller means a person who, though not a shareholder, but through investment relationships, agreements, or other arrangements, may actually control the activities of the Company.
- (II) a connected transaction refers to that as defined in the Hong Kong Listing Rules.
- (III) the meaning of an accounting firm is the same as that of "auditors".

**Article 191** The Articles of Association are written in Chinese. Should there be any discrepancy between the articles of association in any other language or of different version and the Articles of Association, the Chinese version shall prevail.

**Article 192** The term "more than", "within", "below", as stated in the Articles of Association shall all include the given figure; the term "lower", "above", "less than" shall all exclude the given figure.

**Article 193** The Articles of Association shall be subject to interpretation by the Board of Directors of the Company.

**Article 194** Appendixes to the Articles of Association include the Rules of Procedure for the Shareholders' General Meeting, the Rules of Procedure for Meetings of the Board of Directors and the Rules of Procedure for Meetings of the Supervisory Committee. In the event of the Rules of Procedure for the Shareholders' General Meeting, the Rules of Procedure for Meetings of the Board of Directors and the Rules of Procedure for Meetings of the Supervisory Committee are inconsistent with the provisions of the Articles of Association, the provisions of the Articles of Association shall prevail. For matters not covered in the Articles of Association, the rules of procedure of the general meeting of shareholders, the rules of procedure of the board of directors, the rules of procedure of the board of supervisors and other relevant policies of the Company shall prevail.

**Article 195** The Articles of Association shall take effect and put into force from the date of passing the special resolution at the general meeting of the Company. Since the effective date of the Articles of Association, the original articles of association of the Company shall be automatically invalidated.

AIM Vaccine Co., Ltd.