

**ARTICLES OF ASSOCIATION OF**

**GUANGDONG SYNTRUST GK TESTING AND**

**CERTIFICATION TECH SERVICE CENTER CO., LTD.**

**(廣東集信國控檢測認證技術服務中心股份有限公司)**

(Applicable after the Issuance of H Shares)

## TABLE OF CONTENTS

Chapter I	General Provisions. . . . .	1
Chapter II	Business Objectives and Scope . . . . .	3
Chapter III	Shares . . . . .	4
Section I	Issuance of Shares. . . . .	4
Section II	Increase, Reduction and Repurchase of Shares . . . . .	6
Section III	Transfer of Shares. . . . .	9
Chapter IV	Shareholders and Shareholders' Meeting . . . . .	11
Section I	Shareholders . . . . .	11
Section II	General Provisions Regarding Shareholders' Meeting. . . . .	20
Section III	Convening of Shareholders' Meeting . . . . .	24
Section IV	Proposals and Notices in Respect of Shareholders' Meeting . . . . .	27
Section V	Convening of Shareholders' Meeting . . . . .	30
Section VI	Voting at and Resolutions of Shareholders' Meeting. . . . .	35
Chapter V	Board of Directors . . . . .	44
Section I	Directors . . . . .	44
Section II	Independent Non-Executive Directors. . . . .	51
Section III	Board of Directors. . . . .	53
Section IV	Special Committees of the Board of Directors. . . . .	60
Chapter VI	General Manager and Other Senior Management Members . . . . .	61
Chapter VII	Supervisory Committee . . . . .	63
Section I	Supervisors . . . . .	63
Section II	Supervisory Committee. . . . .	65
Chapter VIII	Financial and Accounting System, Profit Distribution and Audit . . . . .	67
Section I	Financial and Accounting System . . . . .	67
Section II	Internal Audit . . . . .	70
Section III	Appointment of Accounting Firm . . . . .	70
Chapter IX	Notices and Announcements . . . . .	71
Section I	Notices . . . . .	71
Section II	Announcements. . . . .	73
Chapter X	Merger, Spin-off, Capital Increase and Reduction, Dissolution and Liquidation. . . . .	73
Section I	Merger, Spin-off, Capital Increase and Reduction . . . . .	73
Section II	Dissolution and Liquidation . . . . .	75
Chapter XI	Amendments to the Articles of Association . . . . .	79
Chapter XII	Supplementary Provisions . . . . .	80

## CHAPTER I GENERAL PROVISIONS

### Article 1

With a view to protecting the legitimate rights and interests of Guangdong Syntrust GK Testing and Certification Tech Service Center Co., Ltd. (廣東集信國控檢測認證技術服務中心股份有限公司) (“**Company**”) and its shareholders and creditors, and regulating the organization and activities of the Company, these Articles of Association (the “**Articles**”) are formulated pursuant to the Company Law of the People’s Republic of China (“**Company Law**”), the Securities Law of the People’s Republic of China (“**Securities Law**”), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (“**Trial Administrative Measures**”), the Guidelines for Articles of Association of Listed Companies, the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“**Hong Kong Listing Rules**”), and other applicable regulations.

### Article 2

The Company is a joint stock limited liability company incorporated pursuant to the Company Law and other applicable regulations.

The Company is established by the promoters by means of full conversion. The Company is registered with and has obtained its business license from the Maoming City Administration for Market Regulation, with the unified social credit code: 91440983721180582R.

### Article 3

The Company completed the filing procedures with the China Securities Regulatory Commission (“**CSRC**”) on 7 March 2024, pursuant to which, the Company initially issued 10,179,000 ordinary share(s) with a par value of RMB1 each to the public in Hong Kong, which are listed on the GEM of The Stock Exchange of Hong Kong Limited (“**Hong Kong Stock Exchange**”) on 6 September 2024.

**Article 4**

Registered Name:

Full Chinese name: 廣東集信國控檢測認證技術服務中心股份有限公司

Full English name: GUANGDONG SYNTRUST GK TESTING AND CERTIFICATION TECH SERVICE CENTER CO., LTD.

**Article 5**

Domicile: Floor 1, Building A, Xinyi Construction Bureau Courtyard, Maoming City, Guangdong Province

Postal code: 525300

**Article 6**

The registered capital of the Company is RMB33,929,000.

**Article 7**

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

**Article 8**

The chairman of the Board shall be the legal representative of the Company. Where the chairman of the Board resigns, such person shall be deemed to have resigned as the legal representative at the same time. Where the legal representative resigns, the Company shall appoint a new legal representative within 30 days from the date of resignation of the legal representative.

**Article 9**

The assets of the Company are divided into shares with equal value. The liability of each shareholder to the Company is limited to the shares subscribed by such shareholder. The Company shall be liable for its debts to the extent of its assets.

**Article 10**

From the effective date hereof, these Articles shall become a legally binding document governing the organization and activities of the Company, and the relationship of rights and obligations between the Company and the shareholders and among the shareholders, and be legally binding on the Company and its shareholders, directors, supervisors and senior management. A shareholder may bring an action against another shareholder or any director, supervisor, the general manager or any other senior management of the Company, or the Company, and the Company may bring an action against any of its shareholder(s), director(s), supervisor(s), the general manager or other senior management, in each case, in accordance with these Articles.

**Article 11**

For the purpose of these Articles, other senior management include the deputy general manager, the board secretary, the chief financial officer and other senior management appointed by the Board of Directors. The Board of Directors of the Company may decide to add other senior management based on its actual business development requirements.

**Article 12**

The Company shall establish a communist party organization and carry out party-related activities in accordance with the provisions of the Constitution of the Communist Party of China. The Company shall provide necessary conditions for the activities of the party organization.

**CHAPTER II BUSINESS OBJECTIVES AND SCOPE****Article 13**

Business objectives of the Company: to enhance the operational management in the organizational form of joint stock company and maximize economic benefits to generate satisfactory economic returns for all shareholders.

**Article 14**

Business scope of the Company registered according to law: “licensed businesses: construction engineering quality inspection; water conservancy construction quality inspection; inspection and testing services; production safety inspection and testing; lightning protection device inspection; construction engineering survey; special equipment inspection and testing; indoor environment testing; agricultural product quality and safety testing. (any business subject to approval according to law may only be operated with the approval of the competent authorities, and the specific business activities are subject to the approval documents or licenses issued by the competent authorities); general businesses: highway and waterway engineering test and inspection services; fire protection technical services; engineering and technology research and experimental development; software development; technology services, technology development, technology consultation, technical exchange, technology transfer, technology promotion.(except for any business subject to approval in accordance with the laws, the business activities should be conducted independently with the business licenses in accordance with the laws)”.

## **CHAPTER III    SHARES**

### **Section I    Issuance of Shares**

#### **Article 15**

The shares shall take the form of share certificates.

All shares issued by the Company shall be registered shares. Each share certificate shall contain such information as required by the Company Law, and the stock exchange on which the Company's shares are listed.

The Company's shares issued and listed overseas may take the form of overseas depository receipts or other derivative shares, in accordance with the laws of the place where the Company's shares are listed and the common practices of securities registration and depository. If the Company's share capital includes any non-voting shares, such shares shall be designated as "non-voting". If the Company's share capital includes the shares with different voting rights, each class of the shares (except for those attached with the most preferential voting rights) shall include the words such as "with restricted voting rights" or "with limited voting rights".

#### **Article 16**

The Company shall issue shares in an open, fair and just manner, and each share of the same class shall have equal rights.

All shares of the same class issued at the same time shall be issued under the same conditions and at the same price; the same consideration shall be paid for each share subscribed by any entities or individuals.

#### **Article 17**

All the shares issued by the Company are denominated in RMB with a par value of RMB1 per share.

The shares issued by the Company are referred to as domestic unlisted shares if they are issued in the PRC but have not yet been listed or traded on any domestic exchange, or as H Shares if they are listed on the Hong Kong Stock Exchange. All shareholders of the Company shall have the same rights regarding dividends distribution or any other distributions of the Company.

After the fulfillment of the mandatory procedures stipulated in the Trial Administrative Measures and other applicable laws, regulations and normative documents, shareholders of domestic unlisted shares of the Company may convert all or part of domestic unlisted shares held by them into overseas listed shares, and list such shares on overseas stock exchanges for trading. Where the above-mentioned domestic unlisted shares are converted into overseas listed shares and listed for trading on overseas exchanges, the shareholders' meeting are not required to be convened for voting. The listing and trading of the above-mentioned shares on any overseas stock exchanges shall comply with the regulatory procedures, regulations and requirements of the overseas stock markets.

#### Article 18

The shares issued by the Company shall be deposited with qualified depositaries.

#### Article 19

Prior to the completion of the initial public offering of H Shares, the Company issued 23,750,000 ordinary shares to its shareholders, representing 100% of the total issued shares of the Company. The shareholders, number of shares held, shareholding percentage, method of capital contribution and time of capital contribution are set out below:

No.	Shareholders	Number of shares held (shares)	Shareholding percentage (%)	Method of capital contribution	Time of capital contribution
1.	Xinyi City Construction Engineering Quality and Safety Affairs Center (信宜市建設工程質量安全事務中心)	19,000,000	80%	Shares converted from net assets	Paid in full on October 26, 2023
2.	Xinyi City Xinhui State-owned Capital Investment Group Co., Ltd. (信宜市信匯國有資本投資集團有限公司)	475,000	20%	Shares converted from net assets, cash	Paid in full on October 26, 2023 and November 3, 2023
<b>Total</b>		<b>23,750,000</b>	<b>100%</b>	–	–

**Article 20**

Prior to the completion of the initial public offering of H Shares, the total number of shares was 23,750,000 shares, all of which are ordinary shares. Upon completion of the initial public offering of H Shares, the registered capital of the Company was RMB33,929,000.

**Article 21**

The Company and its subsidiaries (including its affiliates) shall not provide any financial assistance to any person purchasing or intending to purchase any shares of the Company in the form of gift, advancement, guarantee, compensation, loan or otherwise.

**Section II Increase, Reduction and Repurchase of Shares****Article 22**

Pursuant to the requirements of laws and regulations, the Company may, based on its operation and development needs, increase its registered capital in the following manners upon the adoption of respective resolutions at the shareholders' meetings:

- (i) by public offering of shares;
- (ii) by non-public offering of shares;
- (iii) by issuing dividend shares to the existing shareholders;
- (iv) by capital increase through the conversion of provident fund; or
- (v) by other ways permitted by the laws, administrative regulations and relevant regulatory authorities.

The Board of Directors may, in accordance with these Articles or the authorization of the shareholders' meeting and subject to the provisions of applicable domestic and foreign laws, regulations and normative documents, decide, within three years, on the issuance of shares not exceeding 50% of the issued shares. However, any contribution made in the form of non-monetary assets shall be subject to resolution at the shareholders' meeting. If the Board of Directors, in accordance with the provisions above, decides to issue shares, leading to changes in the Company's registered capital or the quantity of issued shares, the modification of such matters recorded in these Articles shall not require a vote by the shareholders' meeting. If these Articles or the shareholders' meeting authorizes the Board of Directors to decide on the issuance of new shares, the relevant resolution of the Board of Directors shall be adopted by two-thirds or more of all the directors.



**Article 23**

The Company may reduce its registered capital. The Company's reduction of the registered capital shall be carried out in accordance with the procedures stipulated in the Company Law, the Hong Kong Listing Rules and other relevant regulations as well as these Articles.

**Article 24**

The Company is not permitted to repurchase its shares except under one of the following circumstances:

- (i) to reduce the registered capital of the Company;
- (ii) to merge with other companies which hold shares in the Company;
- (iii) to utilize its shares for employee stock ownership plans or share incentive plans;
- (iv) to acquire shares held by shareholders who vote against any resolution proposed in any shareholders' meeting on the merger or division of the Company, upon their request;
- (v) to use shares for converting corporate bonds convertible into shares issued by the Company;
- (vi) be necessary for the Company to protect corporate value and shareholders' interests; or
- (vii) other circumstances as permitted by the laws, administrative regulations, departmental rules, normative documents and the securities regulatory rules of the place where the Company's shares are listed.

**Article 25**

The Company may purchase its shares through public centralized trading or other ways as permitted by the laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and relevant regulatory authorities.

Where the Company purchases its shares under the circumstances prescribed in items (iii), (v) and (vi) of Article 24 of these Articles, such purchase shall be conducted through public centralized trading.

## **Article 26**

Where the Company acquires its shares under the circumstances prescribed in items (i) and (ii) of Article 24 of these Articles, such acquisition shall be resolved at a shareholders' meeting of the Company. Where the Company acquires shares under the circumstances prescribed in items (iii), (v) and (vi) of Article 24 of these Articles, such acquisition may be resolved at a Board Meeting attended by at least two-thirds (2/3) of the directors in accordance with the provisions of these Articles or the authorization of the shareholders' meeting.

Subject to Article 24 of these Articles, where the Company acquires its shares under the circumstances prescribed in item (i) thereof, such shares shall be cancelled within ten (10) days from the date of acquisition. Where the shares are acquired under the circumstances prescribed in items (ii) and (iv) thereof, such shares shall be transferred or cancelled within six (6) months. Where the shares are acquired under the circumstances prescribed in items (iii), (v) and (vi) thereof, the total number of the shares held by the Company shall not exceed ten percent (10%) of the total issued shares, and such shares shall be transferred or cancelled within three (3) years.

Where the relevant laws and regulations, normative documents, and the relevant requirements of the securities regulatory authorities in the place where the Company's shares are listed contain any other provisions in respect of the matters related to the aforementioned share repurchase, such provisions shall prevail.

### **Section III   Transfer of Shares**

#### **Article 27**

The shares of the Company are transferrable according to law.

All transfers of the H Shares shall adopt written instruments of transfer in the ordinary or general form or in any other form acceptable to the Board of Directors (including the standard transfer form or any transfer form prescribed by the Hong Kong Stock Exchange from time to time); such written instruments of transfer may only be signed manually or stamped with effective seal of the company (if the transferor or the transferee is a company). If the transferor or transferee is a recognized clearing house or its agents as defined in the relevant regulations in force under the laws of Hong Kong from time to time, the instrument of transfer may be executed manually or in machine-printed form. Each instrument of transfer shall be kept at the legal address of the Company or such other place as the Board of Directors may appoint from time to time for such purpose.

#### **Article 28**

The Company shall not accept shares of the Company as the subject of any pledge.

#### **Article 29**

Shares issued by the Company prior to any public offering of shares shall not be transferred within one year from the date on which the shares of the Company are listed or traded on the Hong Kong Stock Exchange.

The directors, supervisors and senior management of the Company shall declare to the Company their shareholding and changes thereof and shall not transfer more than twenty-five percent (25%) of the total number of shares of the Company held by them every year during their term of office determined at the time of appointment. The shares held by the aforementioned person shall not be transferred within one year of the date on which the shares are listed and traded. The aforesaid persons shall not transfer the shares of the Company held by them within half a year from the date they terminate their employment with the Company.

If shares are pledged within the restricted transfer period stipulated by laws and administrative regulations, the pledgee shall not exercise the pledge right within the restricted transfer period.

### **Article 30**

In the event that any shareholder (excluding recognized clearing houses or their agents as defined in the relevant regulations in force from time to time under the laws of Hong Kong), director, supervisor or senior management holding 5% or more of the shares of the Company disposes of any shares or other equity securities held by him/her within six months from the date of acquiring shares or other equity securities, or acquires any shares or other equity securities held by him/her again within six months from the date of disposing of such shares or other equity securities, the gains derived therefrom shall belong to the Company and be recovered by the Board of Directors of the Company. However, in the circumstances where a securities company holds five percent or more of the shares of the Company due to purchase of the remaining shares under underwriting arrangement, or such other circumstance as prescribed by the CSRC shall be excluded.

The shares or other equity securities held by the aforementioned director, supervisor, senior management or individual shareholder shall include the shares or other equity securities held by such person's spouse, parents, children or held through the accounts of other persons.

In the event that the Board of Directors of the Company does not comply with the provisions of the first paragraph of this Article, the shareholders shall have the right to request the Board of Directors to enforce the provisions within thirty days. In the event that the Board of Directors fails to enforce the provisions within the aforementioned period, the shareholders shall have the right to directly bring an action at the people's court in his/her own name for the benefit of the Company.

In the event that the Board of Directors of the Company does not comply with the provisions of the first paragraph of this Article, the director(s) who are liable for the matter shall be assume joint and several liability under the law.

## **CHAPTER IV SHAREHOLDERS AND SHAREHOLDERS' MEETING**

### **Section I Shareholders**

#### **Article 31**

The Company shall establish a register of shareholders in accordance with the certificates issued by the share registrar. A shareholder shall enjoy such rights and assume such obligations as attached to the class of the shares held by him/her. The shareholders holding the same class of the shares shall have the same rights and obligations.

The Company shall enter into a share depositary agreement with the share registrar and examine the information of substantial shareholders and the changes in their shareholding (including the pledges of the shares) on a regular basis to keep abreast of its shareholding structure.

#### **Article 32**

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

- (i) the name (title), address (domicile), occupation or nature of each shareholder;
- (ii) the class and number of the shares held by each shareholder;
- (iii) the amount paid or payable for the shares held by each shareholder;
- (iv) the serial number of the share certificate held by each shareholder;
- (v) the date on which each shareholder is registered as a shareholder; and
- (vi) the date on which each shareholder ceases to be a shareholder.

The register of shareholders serves shall be sufficient evidence of the shareholders' shareholding of the Company unless there is evidence to the contrary.

Subject to these Articles and other applicable regulations, upon transfer of any shares of the Company, the name of the transferee shall be listed in the register of shareholders as the holder of such shares.

### **Article 33**

The Company may maintain the register of shareholders of H Shares overseas and entrust the administration thereof to an overseas agent in accordance with the understanding and agreement reached between the securities regulatory authorities of the State Council and the overseas securities regulatory authorities. The original register of shareholders of H Shares listed on the Hong Kong Stock Exchange shall be kept in Hong Kong.

The Company shall maintain at its domicile a copy of the register of shareholders of H Shares. The entrusted overseas agent shall always ensure that the original and copies of the register of shareholders of H Shares are consistent.

Where the original and duplicate of the register of shareholders of H Shares are inconsistent, the original shall prevail.

### **Article 34**

The Company shall maintain a complete register of shareholders, which shall include the following parts:

- (i) the register of shareholders maintained at the Company's domicile other than those specified in items (ii) and (iii) of this Article;
- (ii) the register of shareholders of H Shares maintained in the place of the overseas stock exchange where the shares are listed; and
- (iii) the register of shareholders maintained in other places as the Board of Directors considers necessary for listing purposes.

### **Article 35**

Different parts of the register of shareholders shall not overlap. The transfer of the shares registered in a certain part of the register of shareholders shall not, during the continuance of the registration of such shares, be registered in any other part of the register of shareholders.

Changes and corrections to each part of the register of shareholders shall be carried out in accordance with the laws of the place where each part is kept.

### **Article 36**

With respect to the shareholders of H Shares, where two or more persons are registered as the joint shareholders of any shares, they shall be deemed as joint shareholders of the share concerned, subject to the following provisions:

- (i) the Company shall not register more than four persons as the joint shareholders of any shares;
- (ii) the joint shareholders of any shares shall be severally and jointly liable for all unpaid payment which ought to be made in respect of such shares;
- (iii) on the death of any one of such joint shareholders, only the surviving person(s) among the joint shareholders shall be deemed as the person(s) entitled to such shares by the Company, but the Board of Directors has rights to request such evidence of death as it considers appropriate for purpose of amending the register of shareholders; and
- (iv) with respect to the joint shareholders of any shares, only the person whose name ranks first in the register of shareholders shall be entitled to the delivery of the share certificates relating to such shares, or to receiving the notices from the Company. Any notice given to such person shall be deemed as delivered to all the joint shareholders; any of such joint shareholders may execute a power of attorney, but if more than one of such joint shareholders attend any shareholders' meeting in person or by proxy, the votes of the shareholder with the higher priority, whether exercised in person or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholders, and the priority shall be determined by the order in which the names of the shareholders rank in the register of shareholders in respect of such shares.

Where any of the aforementioned joint shareholders gives receipts to the Company in terms of any dividends, bonuses or return of capital payable to the joint shareholder in respect of such shares, such receipts shall be deemed as valid and effective receipts delivered by such joint shareholders.

### Article 37

When the Company convenes a shareholders' meeting, distributes dividends, commences liquidation or participates in other activities which require the verification of the identities of shareholders, the Board of Directors or the convener of the shareholders' meeting shall decide the date of record. The shareholders whose names are registered on the register of shareholders at the close of trading on the date of record shall be entitled to the relevant rights.

### Article 38

In the event of loss of any share certificate (the “**Original Share Certificate**”) held by any shareholder recorded in the register of shareholders or any person who requests the Company to enter his/her name in the register of shareholders, such shareholder or person may request the Company to issue a new share certificate for the shares evidenced by the Original Share Certificate (the “**Relevant Shares**”), in accordance with the relevant provisions of the Company Law if he/she is a shareholder of domestic shares, or in accordance with the laws, rules of stock exchange and other applicable regulations of the place where the original register of shareholders of H Shares is maintained if he/she is a shareholder of H Shares.

Where a shareholder of H Shares listed in Hong Kong applies for the issuance of a new share certificate, the following conditions shall be satisfied:

- (i) the applicant shall submit an application in a standard form prescribed by the Company, with a notarial certificate or statutory declaration attached, which shall set forth the reasons for the application, the description and evidence of loss of the Original Share Certificate, and a statement that no other person is entitled to be registered as the shareholder of the Relevant Shares;
- (ii) the Company shall not have received any declaration from any person other than the applicant who claims to be entitled to be registered as the shareholder of the Relevant Shares before the Company decides to issue a new share certificate;



- (iii) if the Company decides to issue a new share certificate, the Company shall publish an announcement in qualified newspaper designated by the Board of Directors with an announcement period of ninety (90) days, during which, the announcement shall be re-published at least once every thirty (30) days;
- (iv) before publishing the announcement about issuance of a new share certificate, the Company shall submit a copy of the announcement to be published to the stock exchange on which it is listed, and may publish such announcement only after receiving the response from the stock exchange, which confirms the publication of the announcement upon the display of such announcement thereof on the stock exchange. Such announcement shall be displayed on the stock exchange for a period of ninety (90) days. If the application for a new share certificate is not approved by the registered holder of the Relevant Shares, the Company shall deliver a copy of the announcement to be published to such shareholder;
- (v) if the Company has not received any opposition to the issuance of a new share certificate upon expiration of the ninety-day period set forth in items (iii) and (iv) above, the Company may issue a new share certificate at the request of the applicant;
- (vi) upon the issuance of a new share certificate pursuant to this Article, the Company shall immediately cancel the Original Share Certificate, and record the cancellation and re-issuance of the share certificate in the register of shareholders; and
- (vii) the applicant shall bear all expenses incurred in connection with the cancellation of the Original Share Certificate and the issuance of the new share certificate. The Company shall have the right to refuse taking any action before the applicant provides reasonable guarantees.

**Article 39**

The shareholders of the Company shall be entitled to the following rights:

- (i) the right to receive dividends and other profit distributions in proportion to their shareholding;
- (ii) the right to request, convene, preside over, attend or appoint proxies to attend shareholders' meetings and to exercise the corresponding voting rights in accordance with the laws;
- (iii) the right to supervise the operation of the Company, to present proposals or to raise enquires;
- (iv) the right to transfer, gift or pledge shares in accordance with the laws, administrative regulations as well as these Articles;
- (v) the right to inspect and copy the Company's and its wholly-owned subsidiary's articles of association, register of shareholders, minutes of shareholders' meetings, resolutions of Board Meetings, resolutions of the meetings of the Supervisory Committee and financial accounting reports;
- (vi) in the event of the termination or liquidation of the Company, the right to participate in the distribution of remaining assets of the Company in accordance with their shareholding;
- (vii) with respect to the shareholders who vote against any resolution adopted at the shareholders' meeting on the merger or spin-off of the Company, the right to demand the Company to buy back their shares; and
- (viii) other rights prescribed by the laws, administrative regulations, departmental rules and these Articles.

**Article 40**

If a shareholder wishes to access or obtain any information or document described in the preceding article, such shareholder shall submit written proof of the class and number of the shares held by it/him/her to the Company, and upon verification of its/his/her identity as a shareholder, the Company shall make available such information and documents as requested by such shareholder.

**Article 41**

A shareholder shall have the right to petition the people's court to invalidate any resolution of the shareholders' meeting or the Board of Directors of the Company that violates the relevant laws and administrative regulations.

If any shareholders' meeting or Board Meeting has been convened or held any vote in violation of the procedural rules set forth in relevant laws and administrative regulations or herein, or adopted any resolution in violation of the provisions of these Articles, any shareholder may petition the people's court to revoke the relevant resolution within sixty (60) days following the adoption thereof, except in cases where there are only minor defects in the procedure for convening the shareholders' meeting or Board Meeting or the voting method used in the meetings, which had no material impact on the resolution.

A shareholder who has not been notified to attend the shareholders' meetings may petition people's court to revoke such resolution within 60 days from the date on which he knows or should know that the resolution was made at the shareholders' meetings; if the right of revocation is not exercised within one year from the date on which the resolution is made, the right of revocation shall be extinguished.

**Article 42**

If any director or senior management violates the relevant laws and administrative regulations or the provisions of these Articles in performing his/her duties in the Company, causing any loss to the Company, the shareholder(s) individually or collectively holding one percent (1%) or more of the shares of the Company for more than 180 consecutive days shall have the right to request in writing the Supervisory Committee to bring an action in the people's court. If the Supervisory Committee violates the relevant laws and administrative regulations or the provisions of these Articles in performing its duties in the Company, causing any loss to the Company, any shareholder may request in writing the Board of Directors to bring an action in the people's court.

If the Supervisory Committee or the Board of Directors refuses to bring an action after receiving a written request from the relevant shareholder(s) as prescribed in the aforementioned paragraph, or fails to bring such action within thirty (30) days upon receipt of such written request, or if the matter is of great urgency and the failure to bring such action immediately will cause irreparable damages to the Company, the relevant shareholder(s) shall have the right to directly bring an action in the people's court in their own name for the benefit of the Company.

If any other person infringes on the legitimate rights and interests of the Company, causing any loss to the Company, the shareholder(s) referred to in the first paragraph of this Article 42 may bring an action in the people's court pursuant to the provisions of the first two paragraphs this Article 42.

In cases where any director, supervisor, or senior management of a wholly-owned subsidiary of the Company are involved in any of the circumstances set forth in the preceding paragraph, or the lawful rights and interests of the wholly-owned subsidiary of the Company are infringed by any other person, resulting in any losses, any shareholder individually or shareholders collectively holding 1% or more of the shares of the Company for 180 or more consecutive days, may, pursuant to the above-mentioned provisions, make a written request to the supervisory committee or the board of directors of the wholly-owned subsidiary to bring an action in the people's court, or directly initiate an action in their own name in the people's court.

#### **Article 43**

If any director or senior management damages the interests of any shareholder in violation of the relevant laws and administrative regulations or the provisions of these Articles, the relevant shareholder may bring an action in the people's court.

#### **Article 44**

The shareholders of the Company shall have the following obligations:

- (i) to abide by the laws, administrative regulations and these Articles;
- (ii) to pay capital contribution for the shares subscribed for in the prescribed method of subscription;

- (iii) not to surrender the shares except as otherwise provided for by the laws and regulations;
- (iv) not to abuse their shareholders' rights to jeopardize the interests of the Company or other shareholders; and not to abuse the status of the Company as an independent legal person and the limited liability of shareholders to jeopardize the interests of any creditors of the Company; and
- (v) to fulfill other obligations as stipulated by the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and these Articles.

If a shareholder of the Company abuses the rights of shareholders and causes losses to the Company or other shareholders, such shareholder shall be liable for compensation in accordance with the law. A shareholder who abuses the independent status of the Company as a legal entity and the limited liability of shareholders to evade debts and seriously damages the interests of the Company's creditors shall be jointly and severally liable for the debts of the Company.

#### **Article 45**

Any shareholder of five percent (5%) or more of the voting shares of the Company that pledges any shares held by him/her shall report to the Company in writing on the date of such pledge.

#### **Article 46**

The controlling shareholders and de facto controllers of the Company shall not use their affiliation to harm the interests of the Company. Anyone who violates the regulations and incurs losses to the Company shall be liable for compensation.

The controlling shareholders and the de facto controllers of the Company shall owe duties of good faith to the Company and its public shareholders. The controlling shareholders shall exercise their rights as capital contributors in strict compliance with the law. The controlling shareholders shall neither damage the legitimate rights and interests of the Company and the public shareholders by means of profit distribution, asset reorganization, investment, capital appropriation and loan guarantee nor damage the interests of the Company and the public shareholders by their controlling status.

## **Section II    General Provisions Regarding Shareholders' Meeting**

### **Article 47**

The shareholders' meeting is the authority of power of the Company, and shall exercise the following duties and powers in accordance with the law:

- (i) to elect or remove the directors and supervisors and to decide on matters relating to the remuneration of directors and supervisors;
- (ii) to deliberate and approve the reports of the Board of Directors;
- (iii) to deliberate and approve reports of the Supervisory Committee;
- (iv) to deliberate and approve the profit distribution plans and loss recovery plans of the Company;
- (v) to resolve on the increase or reduction of the registered capital of the Company;
- (vi) to resolve on the issuance of bonds of the Company;
- (vii) to resolve on the merger, division, dissolution, liquidation or change in the form of the Company;
- (viii) to amend these Articles;
- (ix) to resolve on the Company's engagement and removal of the accountants;
- (x) to deliberate and approve the guarantees as stipulated in Article 48 hereof;
- (xi) to deliberate and approve the Company's purchase or disposal of major assets within one year with the aggregate transaction amount exceeding thirty percent (30%) of the latest audited total assets of the Company;

- (xii) to deliberate and approve the related transactions required to be approved by the shareholders' meeting in accordance with the laws, regulations, and the listing rules of the place where the Company's shares are listed;
- (xiii) to deliberate and approve the change in the use of raised funds;
- (xiv) to deliberate and approve equity incentive plan and employee stock ownership plan;
- (xv) to resolve on the acquisition of the Company's shares under the circumstances prescribed in items (i) and (ii) of Article 24 hereof;
- (xvi) to deliberate other matters required to be resolved by the shareholders' meeting pursuant to the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles.
- (xvii) The duties and powers of the shareholders' meeting set forth above shall not be exercised by the Board of Directors or other institutions and individuals on its behalf by way of authorization. Save for the above, the shareholders' meeting may authorize or entrust the Board of Directors and/or a person authorized by the Board of Directors to handle matters that are authorized or entrusted by the shareholders' meeting, provided that the laws and regulations as well as the mandatory requirements of the relevant laws and regulations of the listing place are not violated.

#### **Article 48**

The Company shall get approval from the shareholders' meeting if it provides:

- (i) any external guarantee after the aggregate amount of external guarantees provided by the Company and its controlled subsidiaries has exceeded fifty percent (50%) of the latest audited net assets of the Company;

- (ii) any external guarantee after the aggregate amount of external guarantees provided by the Company has exceeded thirty percent (30%) of the latest audited total assets of the Company;
- (iii) any external guarantee that will result in the aggregate amount of external guarantees provided by the Company within one (1) year exceeding thirty percent (30%) of the latest total audited assets of the Company;
- (iv) any guarantee for a guaranteed party whose asset liability ratio exceeds seventy percent (70%);
- (v) any single guarantee with its amount in excess of ten percent (10%) of the latest audited net assets of the Company; or
- (vi) any guarantee for any shareholder or de facto controller or their affiliates of the Company.

Subject to relevant requirements of the Hong Kong Listing Rules, in deliberating a proposal regarding the provision of any guarantee for any shareholder or de facto controller of the Company, such shareholder or any shareholder subject to the direction of the de facto controller shall abstain from voting on such proposal, and such proposal shall be adopted with the approval of a majority of votes held by other shareholders present at the shareholders' meeting.

If the Board of Directors or shareholders' meeting of the Company violates the approval authority or approval procedure in respect of guarantee, the directors and shareholders who violate the approval authority or approval procedure shall be jointly and severally liable for such violation, and if a guarantee is provided in violation of such approval authority or approval procedure, the Company shall have the right to hold the responsible persons liable depending on the losses and risks resulting from, and severity of, such violation.

#### **Article 49**

The shareholders' meetings consist of annual shareholders' meetings and extraordinary shareholders' meeting. The annual shareholders' meeting shall be held once every year within six (6) months from the end of the previous financial year.



**Article 50**

The Company shall convene an extraordinary shareholders' meeting within two (2) months upon occurrence of the following events:

- (i) when the number of directors is less than the number stipulated in the Company Law or two-thirds (2/3) of the number specified in these Articles;
- (ii) when the unrecovered losses of the Company amount to one-third of the total amount of its share capital;
- (iii) at the request of shareholder(s) individually or collectively holding more than ten percent (10%) of the Company's shares;
- (iv) when the Board of Directors considers necessary;
- (v) when the Supervisory Committee proposes to convene such meeting; or
- (vi) any other circumstances stipulated by the laws, administrative regulations, departmental regulations, the securities regulatory rules of the place where the Company's shares are listed or these Articles.

**Article 51**

A shareholders' meeting shall be held at the domicile of the Company or such other place as designated in the notice of the shareholders' meeting. A shareholders' meeting shall be held at the designated venue in the form of on-site meeting. On the premise of ensuring the legality and effectiveness of the shareholders' meeting, the Company may also provide convenience for the shareholders to attend the meeting through network, video, telephone or other means, subject to the relevant laws, administrative regulations, departmental rules, and the securities regulatory rules of the place where the Company's shares are listed, and any shareholder's participation in such a meeting shall constitute presence in person through the above means.

The place and time of an on-site meeting shall be convenient for the attendance by the shareholders, and the place of such on-site meeting shall not be changed without justifiable reason after the delivery of notice of shareholders' meeting. If it is necessary to change the place of meeting, the convener shall publish an announcement at least two (2) working days prior to the date of on-site meeting, and explain the reason.

### **Section III Convening of Shareholders' Meeting**

#### **Article 52**

Shareholders' meetings shall be summoned by the Board. If the Board of Directors is unable or fails to fulfill its duty to convene a shareholders' meeting, the Supervisory Committee shall promptly convene and preside over it; If the Supervisory Committee does not convene and preside over the meeting, shareholders who individually or collectively hold more than ten percent (10%) of the company's shares for more than ninety (90) consecutive days may convene and preside over the meeting on their own.

Independent non-executive directors shall be entitled to propose to the Board of Directors to convene an extraordinary shareholders' meeting. Regarding the proposal requesting to convene an extraordinary shareholders' meeting by the independent non-executive directors, the Board of Directors shall, in accordance with the laws, administrative regulations and these Articles, inform in writing whether it agrees or disagrees to convene an extraordinary shareholders' meeting within ten (10) days upon receipt of the proposal.

If the Board of Directors agrees to convene an extraordinary shareholders' meeting, the Board of Directors shall issue a notice to convene the meeting within five (5) days after it passed a resolution thereon. If the Board of Directors refuses to convene an extraordinary shareholders' meeting, the Board of Directors shall explain the reason and publish an announcement.

#### **Article 53**

The Supervisory Committee shall be entitled to propose to the Board of Directors to convene an extraordinary shareholders' meeting, and shall put forward its proposal to the Board of Directors in writing. The Board shall, pursuant to the laws, administrative regulations and these Articles, inform in writing whether it agrees or disagrees to convene the extraordinary shareholders' meeting within ten (10) days upon receipt of the proposal.

If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice to convene the meeting within five (5) days after it passed a resolution thereon, provided that no change shall be made to the proposal in such notice without the consent of the Supervisory Committee.

If the Board of Directors does not agree to convene an extraordinary shareholders' meeting, or fails to respond within ten (10) days upon receipt of the proposal, the Board of Directors shall be deemed to be unable or fail to perform its duties to convene a shareholders' meeting, and the Supervisory Committee may convene and preside over a shareholders' meeting on its own.

#### **Article 54**

The shareholder(s) individually or collectively holding ten percent (10%) or more of the shares shall be entitled to request the Board of Directors to convene an extraordinary shareholders' meeting, and shall put forward such request to the Board of Directors in writing. The written request should state the subject of the meeting and present a complete proposal. The shareholders should sign relevant documents by hand and may not entrust others (including other shareholders) to sign relevant documents. The Board shall, pursuant to the laws, administrative regulations and these Articles, inform in writing whether it agrees or disagrees to convene the extraordinary shareholders' meeting within ten (10) days upon receipt of the request.

If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice to convene the meeting within five (5) days after it passed a resolution thereon, provided that no change shall be made to the request in such notice without the consent of the relevant shareholders.

If the Board of Directors does not agree to hold the extraordinary shareholders' meeting or fails to respond within ten (10) days upon receipt of the request, the shareholder(s) individually or collectively holding ten percent (10%) or more of the shares shall be entitled to propose to the Supervisory Committee to convene an extraordinary shareholders' meeting, and shall put forward such request to the Supervisory Committee in writing.

If the Supervisory Committee agrees to convene an extraordinary shareholders' meeting, it shall issue a notice to convene the meeting within five (5) days upon receipt of the request, provided that no change shall be made to the request in such notice without the consent of the relevant shareholders.

In the case of failure to issue the notice of shareholders' meeting within the prescribed period, the Supervisory Committee shall be deemed as failing to convene and preside over the shareholders' meeting and the shareholder(s) individually or collectively holding ten percent (10%) or more of the shares for ninety (90) or more consecutive days may convene and preside over such meeting by such shareholder(s).

#### **Article 55**

If the Supervisory Committee or any shareholder(s) decides to convene a shareholders' meeting by itself/themselves, the Supervisory Committee or the relevant shareholder(s) shall notify the Board of Directors in writing, and perform the relevant filing procedures with the relevant securities regulatory authorities in the place where the Company is located and the relevant stock exchange in accordance with the applicable regulations.

Prior to the publication of announcement of the resolutions adopted at such shareholders' meeting, the shareholders convening such meeting shall hold at least ten percent (10%) shares in the Company.

#### **Article 56**

If the Supervisory Committee or any shareholder(s) convenes a shareholders' meeting by itself/themselves, the Board of Directors and the secretary of the Board of Directors shall give cooperation and the Board of Directors shall provide the register of shareholders as of the date of record.

#### **Article 57**

The necessary costs of any shareholders' meeting convened by the Supervisory Committee or any shareholder(s) shall be borne by the Company.

## **Section IV Proposals and Notices in Respect of Shareholders' Meeting**

### **Article 58**

A proposal shall fall within the scope of powers of the shareholders' meeting, with topics for discuss and specific resolutions, and comply with the relevant laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the provisions of these Articles.

### **Article 59**

When a shareholders' meeting is convened by the Company, the Board of Directors, the Supervisory Committee and shareholder(s) who individually or collectively hold(s) three percent (3%) or more of the shares shall be entitled to make proposals to the shareholders' meeting.

Shareholders individually or jointly holding 1% or more of the Company's shares may submit ad hoc proposals in writing to the convener 10 days before a shareholders' meeting is convened. Temporary proposals should have clear agenda items and specific resolution matters. The convener shall issue a supplementary notice of the shareholders' meeting within two days upon receipt of the proposal to announce the contents of the provisional proposal, notify other shareholders and submit the temporary proposal to the shareholders' meeting for review, except for any proposal that violates laws, administrative regulations, or the Articles of Association, or any proposal that falls outside the purview of the shareholders' meeting. The Company shall not increase the shareholding percentage for shareholders proposing interim proposals. For the publication of the supplementary notice of the shareholders' meeting, if there are special provisions under the securities regulatory rules of the place where the Company's shares are listed, such provisions shall prevail, provided that the Company Law, the Securities Law, the Trial Administrative Measures, the Guidelines for Articles of Association of Listed Companies and other applicable provisions are not violated. If the shareholders' meeting shall be postponed due to the issuance of a supplementary notice of the shareholders' meeting in accordance with the securities regulatory rules of the place where the Company's shares are listed, the convening of the shareholders' meeting shall be postponed pursuant to the provisions of the securities regulatory rules of the place where the Company's shares are listed.

Except for circumstances provided in the above paragraph, the convener, after issuing the announcement regarding the notice of the shareholders' meeting, shall neither modify the proposals stated in the notice of shareholders' meetings nor add new proposals.

The shareholders' meeting shall not vote for or pass a resolution on any proposal not stated in the notice of shareholders' meeting or not complying with the provisions of Article 58 hereof.

#### **Article 60**

The convener shall notify all shareholders by written meeting notice twenty-one (21) days before the date of convening the annual shareholders' meeting and fifteen (15) days before the date of convening the extraordinary shareholders' meeting. To calculate the period for issuing the notice, the date of the meeting shall be excluded.

#### **Article 61**

The notice of any shareholders' meeting shall specify, among others:

- (i) time, place and duration of the meeting;
- (ii) matters and proposals submitted to the meeting for deliberation;
- (iii) explicitly that each shareholder has the right to attend and vote at the shareholders' meeting in person or by proxy in writing, and the proxy does not need to be a shareholder of the Company;
- (iv) date of record for determining the shareholders' entitlement to attend the shareholders' meeting;
- (v) name and telephone number of the regular contact person for the meeting; and
- (vi) time and process of voting online or by other means.

Each notice or supplementary notice of shareholders' meeting shall sufficiently and completely disclose the specific contents of all proposals. If the matters to be discussed at the shareholders' meeting require the opinions of the independent non-executive directors, the opinions and the reasons of such independent non-executive Directors shall be also disclosed simultaneously in such notice or supplementary notice of shareholders' meeting.

The interval between the date of record and the date of meeting shall comply with the regulations of the relevant securities regulatory authorities in the place where the Company's shares are listed.

## **Article 62**

If the election of any director(s) or supervisor(s) will be discussed at a shareholders' meeting, the notice of the shareholders' meeting shall specify the particulars of each director or supervisor candidate, which shall at least include:

- (i) education background, work experience, concurrent posts and other personal information;
- (ii) whether such candidate is affiliated with the controlling shareholder and de facto controllers of the Company;
- (iii) whether such candidate holds shares in the Company; and
- (iv) whether such candidate has been subject to any penalty imposed by the CSRC or other relevant authorities or any punishment imposed by any stock exchange.

Where the director and supervisor will be elected through cumulative voting, each director or supervisor candidate shall be nominated by a separate proposal.

## **Article 63**

Subject to compliance with the relevant provisions of laws and regulations and the requirements of the securities regulatory rules of the place where the shares are listed and the relevant procedures, the Company may issue notice of shareholders' meeting by means of publication on the Company's website and/or the website designated by the Hong Kong Stock Exchange or in such other manners as permitted under the Hong Kong Listing Rules and these Articles.

**Article 64**

After the notice of a shareholders' meeting has been issued, the meeting shall not be adjourned or cancelled without justifiable reason, and no proposal set forth in the notice of meeting shall be cancelled. If the meeting needs to be adjourned or cancelled, the convener shall publish an announcement at least two (2) working days prior to the originally scheduled date of meeting, and explain the reason. If there are special provisions on the procedures for postponing or canceling the shareholders' meeting under the securities regulatory rules of the place where the Company's shares are listed, such provisions shall prevail, provided that the Company Law, the Securities Law, the Trial Administrative Measures, the Guidelines for Articles of Association of Listed Companies and other applicable provisions are not violated.

**Section V Convening of Shareholders' Meeting****Article 65**

The Board and other conveners of the Company shall take necessary measures to guarantee the normal order of each shareholders' meeting and prevent any person from interfering with or inciting public disorder at any shareholders' meeting or otherwise infringing on the legitimate rights and interests of the shareholders, and promptly refer any such act to the competent authorities for investigation and punishment.

**Article 66**

All ordinary shareholders registered on the date of record (including shareholders whose voting rights have been restored in respect of preference shares) or their proxies shall be entitled to attend shareholders' meetings and shall speak and exercise their voting rights in accordance with the relevant laws and regulations, the Hong Kong Listing Rules and these Articles.

A shareholder may attend and vote at any shareholders' meeting in person or by proxy. A shareholder that appoints a proxy to attend a shareholders' meeting shall specify the matters in which the proxy will act, the authority, and the period. The proxy shall present a shareholder's proxy form to the Company, and exercise his voting rights within the scope of the proxy form.



**Article 67**

Any individual shareholders who attend the meeting in person should present their identity card or other valid documents or proofs that can indicate their identity and their stock account card. Any shareholders who attend the meeting by proxy should present their valid identity card and power of attorney.

The corporate shareholders shall attend the meeting by the legal representative or the proxy appointed by the legal representative. The legal representative who attends the meeting shall present his/her identity card and valid proof of his/her qualification as a legal representative. The proxy who attends the meeting shall present his/her identity card and a written power of attorney issued by the legal representative of the legal person shareholder under the law (except where the shareholder is a recognized clearing house or its proxy as defined in the relevant ordinance in force from time to time under the laws of Hong Kong).

If the shareholder is a recognized clearing house (or its proxy) as defined in the relevant ordinance in force from time to time under the laws of Hong Kong, it may authorize more than one person as it deems fit to act as its representative at any shareholders' meeting or meeting of any class of shareholders; provided that if more than one person is so authorized, the power of attorney shall specify the number and class of shares in respect of which such person is so authorized. Each of such power of attorney shall be signed by an authorized officer of that clearing house. A person so authorized shall be entitled to attend the meeting (without needing to present any share certificate, notarized authorization and/or any further evidence to prove that he/she has been duly authorized) and exercise the same powers on behalf of that clearing house (or its proxy) as if it were an individual shareholder of the Company.

**Article 68**

Any shareholder entitled to attend and vote at a shareholders' meeting may by power of attorney appoint one or more persons (who does not need to be a shareholder) as his/her proxy, to attend and vote at such meeting, and such power of attorney shall contain, among others:

- (i) name of the proxy;
- (ii) whether the proxy has the voting right;

- (iii) instructions on voting for or against or abstaining from voting on each matter listed on the agenda of the meeting;
- (iv) issue date and validity period of the power of attorney; and
- (v) signature or seal of the appointer. If the appointer is a corporate shareholder or an unincorporated shareholder, the common seal of the legal entity or the institutional shareholder shall be affixed.

#### **Article 69**

The power of attorney shall specify whether or not his/her proxy may vote at his/her discretion in the absence of instructions from the shareholders.

#### **Article 70**

The proxy form shall be deposited at the domicile of the Company or such other place as the notice of the shareholders' meeting may specify not less than twenty-four (24) hours prior to convening of the shareholders' meeting at which the relevant matters will be voted on, or twenty-four (24) hours before the designated voting time. Where the proxy form is signed by a person authorized by the appointer, the written power of attorney or other authorization documents authorizing such person to sign the same shall be notarized. The notarized power of attorney or other authorization documents and the proxy form shall be kept at the Company's address or at such other place as specified in the notice convening the meeting.

Where the appointer is a legal person, its legal representative or the person authorized by the resolution of its Board of Directors or other governing bodies may attend the shareholders' meeting of the Company as a representative of such appointer.

#### **Article 71**

The Company shall prepare a register of attendance of any shareholders' meeting, which shall at least contain the following information of each attendee: name of the attendee (or name of entity represented by him/her), his/her identity card number and address of domicile, number of voting shares held or represented by him/her and name of shareholder represented by him/her (or name of such shareholder's entity).

**Article 72**

The convener and the counsels appointed by the Company (if applicable) shall jointly verify the legality of the capacity of shareholders based on the register of shareholders, and register the name of and number of voting shares held by each shareholder. Such registration shall be completed before the chairperson of the meeting declares the number of shareholders attending the meeting in person or by proxy and the total number of voting shares held by them.

**Article 73**

All directors, supervisors and the secretary of the Board of Directors shall attend, and the general manager and other senior management shall appear as observers at each shareholders' meeting.

**Article 74**

A shareholders' meeting shall be presided over by the Chairman, or if the Chairman is unable or fails to perform his/her duties, by one Director chosen by more than half the Directors.

A shareholders' meeting convened by the Supervisory Committee shall be presided over by the chairman of the Supervisory Committee, or if the chairman of the Supervisory Committee is unable or fails to perform his/her duties, by one supervisor chosen by more than half the supervisors.

A shareholders' meeting convened by any shareholder(s) shall be presided over by a representative appointed by the convener.

When convening a shareholders' meeting, if the chairperson of a shareholders' meeting violates the rules of procedure as a result of which the meeting is unable to proceed, with the consent of a majority of the shareholders with voting rights present at the meeting, the shareholders' meeting may appoint one person as the chairperson to continue the meeting.

- Article 75** The Company shall establish rules of procedure for the shareholders' meeting, specifying the procedures for convening and voting at the shareholders' meeting, including, among others, notice, registration, deliberation of proposals, casting of votes, counting of votes, declaration of voting results, adoption of resolutions, meeting minutes and execution thereof, announcement, and principle of delegating powers to the Board of Directors by the shareholders' meeting, of which powers shall be clear and specific. The rules of procedure for the shareholders' meeting shall be prepared by the Board of Directors and approved by the shareholders' meeting, and constitute an exhibit to these Articles.
- Article 76** At an annual meeting, the Board of Directors and the Supervisory Committee shall report their respective work in the preceding year to the shareholders' meeting, and each independent non-executive director shall deliver a work report.
- Article 77** The directors, supervisors and senior management shall provide explanations in respect of the inquiries and suggestions made by the shareholders at any shareholders' meeting.
- Article 78** The chairperson of a shareholders' meeting shall, before the commencement of a vote, declare the number of the shareholders attending the meeting in person or by proxy and the total number of voting shares held by them, subject to the register of attendance of the meeting.
- Article 79** The secretary of the Board of Directors shall be responsible for preparing minutes of each shareholders' meeting, which shall contain, among others:
- (i) time, place and agenda and name of convener of the meeting;
  - (ii) names of the chairperson, directors, supervisors, the general manager and other senior management that are attendees or observers at the meeting;
  - (iii) number of the shareholders attending the meeting in person or by proxy and the total number of voting shares held by them, and proportion of total shares of the Company represented by such shares;

- (iv) course of deliberation of, key points of the opinions expressed and result of voting on each proposal;
- (v) inquiries and suggestions made by the shareholders and replies or explanations in connection therewith;
- (vi) names of the counsels (if applicable), teller(s) and scrutineer(s); and
- (vii) other information required by these Articles to be contained in the minutes.

**Article 80**

The convener of a shareholders' meeting shall ensure the information contained in the minutes of the meeting is true, accurate and complete. The minutes of the meeting shall be signed by the directors, supervisors, the secretary of the Board of Directors, the convener or his/her proxy present at the meeting and the chairperson, and be kept together with the register of attendance, the powers of attorney and valid information on results of voting online or by other means in respect of the meeting for a period of not less than ten (10) years.

**Article 81**

The convener of a shareholders' meeting shall ensure the meeting proceeds continuously, until the final resolutions have been adopted, and if the meeting is discontinued or fails to adopt any resolution due to any force majeure or other special reasons, necessary measures shall be taken to resume the meeting as soon as practicable or directly terminate the meeting, and announcements and reports shall be made in a timely manner in accordance with the laws, administrative regulations, departmental rules, normative documents and the securities regulatory rules of the place where the Company's shares are listed.

**Section VI Voting at and Resolutions of Shareholders' Meeting**

**Article 82**

Resolutions of the shareholders' meeting include ordinary resolutions and special resolutions.

Ordinary resolutions at a shareholders' meeting shall be adopted by more than one half of the voting rights held by shareholders (including their proxies) attending the shareholders' meeting.

Special resolutions at a shareholders' meeting shall be adopted by more than two-thirds (2/3) of the voting rights held by shareholders (including their proxies) attending the shareholders' meeting.

#### **Article 83**

The following matters shall be resolved by way of ordinary resolutions at a shareholders' meeting:

- (i) work reports of the Board of Directors and the Supervisory Committee;
- (ii) profit distribution plan and loss recovery plan formulated by the Board of Directors;
- (iii) appointment and dismissal of the members of the Board of Directors and members of the Supervisory Committee, and decision on remuneration and payment methods thereof;
- (iv) issuance of corporate bonds;
- (v) annual report of the Company; and
- (vi) matters other than those requiring approval by special resolutions in accordance with laws, administrative regulations or these Articles.

#### **Article 84**

The following matters shall be resolved by way of special resolutions at a shareholders' meeting:

- (i) the increase or reduction of the Company's registered capital;
- (ii) division, spin-off, merger, dissolution and liquidation of the Company;
- (iii) amendments to these Articles;
- (iv) the Company's purchase or disposal of major assets or guarantee exceeding thirty percent (30%) of the latest audited total assets of the Company within one year;

- (v) share incentive schemes; and
- (vi) other matters stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or these Articles and the rules of procedure of the shareholders' meeting, and the shareholders' meeting of shareholders adopting ordinary resolutions that are considered to have a significant impact on the Company, requiring approval by special resolutions.

## **Article 85**

Every shareholder present in person or by proxy shall be entitled to one vote for each voting share held by him/her. When voting, a shareholder entitled to two or more votes, whether present in person or by proxy, needs not cast all affirmative or negative votes with his/her voting rights.

When the shareholders' meeting deliberates any significant matter that affects the interests of small and medium-sized investors, the votes cast by such investors shall be counted separately, and the separate voting results shall be promptly and publicly disclosed in accordance with the relevant laws, regulations and the securities regulatory rules of the place where the Company's shares are listed.

The shares held by the Company shall not have voting rights, and such shares are not counted in the total number of voting shares held by the shareholders present at any shareholders' meeting in person or by proxy.

If a shareholder purchases any voting shares in violation of the provisions of Paragraphs 1 and 2 of Article 63 of the Securities Law, the shares exceeding the prescribed threshold shall not be entitled to voting right within thirty-six (36) months following the purchase thereof or counted in the total number of voting shares held by the shareholders present at a shareholders' meeting in person or by proxy.

If, pursuant to the applicable laws, administrative regulations, departmental rules, normative documents and the securities regulatory rules of the place where the Company's shares are listed, any shareholder is required to abstain from voting on, or restricted to voting only for or against, any particular resolution, any vote cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

The Board, independent non-executive directors, shareholders of one percent (1%) or more of the shares in the Company, or any investor protection agency established pursuant to the relevant laws, administrative regulations and provisions of the CSRC may publicly solicit proxies from shareholders, provided that they shall fully disclose their intention towards the relevant voting, and shall not solicit proxies with compensation directly or in a disguised manner. The Company shall not impose any restriction on the solicitation of proxies, except for statutory conditions.

#### **Article 86**

A shareholder interested in any related-party transaction deliberated at a shareholders' meeting shall abstain from voting on such matter, the voting shares held by such shareholder shall not be counted in the valid total voting shares, and the announcement regarding the resolutions of the shareholders' meeting shall fully disclose the votes by the non-interested shareholders.

When the shareholders' meeting proceeds to deliberate such related-party transaction, the interested shareholder shall take the initiative to declare the nature of his/her interest and abstain from voting; and if he/she fails to do so, other shareholders may request him/her to declare the same and abstain from voting. The convener shall investigate whether such shareholder is an interested shareholder and whether such shareholder should abstain from voting according to the relevant regulations.

An interested shareholder who should abstain from voting may participate in the discussion about such transaction, and provide explanations about the reason for entry into such transaction, particulars of such transaction, and fairness and legality of such transaction at the shareholders' meeting.



If the interested shareholder is unable to abstain from voting due to any special circumstances, the vote may be held according to the normal procedures, provided that a detailed explanation shall be included in the resolutions of the shareholders' meeting.

After the end of the shareholders' meeting, if any shareholder discovers that any interested shareholder participated in the vote on any related-party transaction, or has an objection over the application of the abstention principle, such shareholder shall have the right to bring an action in respect of the relevant resolutions at the people's court in accordance with the provisions of these Articles.

Where the applicable laws, administrative regulations, departmental rules, normative documents and the securities regulatory rules of the place where the Company's shares are listed contain any other provisions, such provisions shall prevail.

#### **Article 87**

Unless the Company faces a crisis or falls into other special situations, without the approval of a special resolution by the shareholders' meeting, the Company shall not enter into any contract with any person other than the directors, the general manager and other senior management of the Company, pursuant to which, the Company will delegate the management of all or any important business of the Company to such person.

#### **Article 88**

The list of director and supervisor candidates shall be submitted to the shareholders' meeting for voting in the form of a proposal.

The Board shall publicly disclose the respective resumes and particulars of director and supervisor candidates to the shareholders. Each of the director and supervisor candidates shall covenant in writing that he/she accepts the nomination, his/her information disclosed publicly is true, accurate and complete, he/she meets the qualifications for the relevant post, and he/she will diligently perform his/her duties after being elected.

Method and procedure of nomination of directors and supervisors:

- (i) the Board of Directors and the shareholder(s) individually or collectively holding three percent (3%) or more of the shares in the Company shall have the right to nominate non-independent non-executive director candidates, and after soliciting the opinions of such nominees and examining their qualifications, the Board of Directors shall submit a proposal to the shareholders' meeting.
- (ii) the Supervisory Committee and the shareholder(s) individually or collectively holding three percent(3%) or more of the shares in the Company shall have the right to nominate shareholders' representatives as supervisor candidates, and after soliciting the opinions of such nominees and examining their qualifications, the Supervisory Committee shall submit a proposal to the shareholders' meeting.
- (iii) the Board of Directors, the Supervisory Committee and the shareholder(s) individually or collectively holding one percent (1%) or more of the issued and outstanding voting shares in the Company shall have the right to nominate independent non-executive director candidates, and after soliciting the opinions of such nominees and examining their qualifications, the Board of Directors shall submit a proposal to the shareholders' meeting.

When electing directors and supervisors at a shareholders' meeting, the cumulative voting system may be adopted pursuant to the relevant laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, these Articles or the relevant resolutions of the shareholders' meeting. Under the cumulative voting system, in the election of two or more directors or supervisors at a shareholders' meeting, each share shall be entitled to such number of votes that is equal to the number of directors or supervisors to be elected, and a shareholder may allocate all of his/her votes to a single candidate. The Board shall publicly disclose the respective resumes and particulars of director and supervisor candidates to the shareholders.

Specific process of cumulative voting:

- (i) the election of and votes on the independent non-executive directors, non-independent non-executive directors and supervisors shall be held separately;
- (ii) in the election of the independent non-executive directors, each shareholder shall be entitled to such number of votes that is equal to the number of shares held by him/her multiplied by the number of available positions of the independent non-executive directors; such votes may only be allocated to the independent non-executive director candidates, and the candidates with the most votes will be elected;
- (iii) in the election of the non-independent non-executive directors and the supervisors, each shareholder shall be entitled to such number of votes that is equal to the number of shares held by him/her multiplied by the number of available positions of the non-independent non-executive directors and the supervisors; such votes may only be allocated to the non-independent non-executive director and the supervisor candidates, and the candidates with the most votes will be elected;
- (iv) if the number of candidates exceeds the number specified herein, the number of the independent non-executive directors, non-independent non-executive directors and supervisors elected by each shareholder shall not exceed the respective number of the independent non-executive directors, non-independent non-executive directors and supervisors specified herein, and the total number of votes cast by him/her shall not exceed the number of votes that he/she is entitled to. Otherwise, the votes cast by such shareholder shall be invalid; and
- (v) the scrutineer(s) and teller(s) at the shareholders' meeting shall carefully examine the compliance with the foregoing provisions, to ensure the fairness and validity of the cumulative voting.

- Article 89** Except for the cumulative voting system, votes on proposals shall be taken one by one at a shareholders' meeting, and if there are different proposals regarding the same matter, vote on such proposals shall be taken in order of time of submission thereof. Unless the shareholders' meeting is discontinued or fails to adopt any resolution due to any force majeure or other special reasons, the shareholders' meeting shall not put on hold or refrain from voting on any proposal.
- Article 90** No proposal deliberated at a shareholders' meeting shall be amended; otherwise, the relevant amendment shall be deemed a new proposal, which shall not be voted on at the same meeting.
- Article 91** The same vote may only be cast once on site, online or by other means, provided that if the same vote is cast more than once, only the first vote will be deemed valid.
- Article 92** Votes at a shareholders' meeting shall be cast in a registered manner.
- Article 93** Before voting on any proposal, a shareholders' meeting shall choose two shareholders' representatives to participate in the votes counting or scrutinizing, provided that no such shareholders' representative shall be a shareholder who is interested in the subject matter of such proposal or his/her proxy.
- The counsels (if applicable), shareholders' representatives and supervisors' representatives shall jointly count and scrutinize the votes cast on such proposal. The voting results shall be declared at the meeting and recorded in the minutes of the meeting.
- The shareholders, who cast votes online or by other means, whether in person or by proxy, shall have the right to check their voting results through the relevant voting system.
- Article 94** The on-site voting at a shareholders' meeting shall not end before voting online or by other means. The chairperson shall declare the result of voting on each proposal, and whether such proposal has been adopted accordingly.

Before the formal declaration of the result of any voting, the Company, teller(s), scrutineer(s), substantial shareholders, network service providers and other persons involved in voting on site, online or by other means shall have the obligation to keep confidential the information related to the voting.

**Article 95**

A shareholder attending any shareholders' meeting shall vote for or against or abstain from voting on each proposal submitted to the meeting for voting, except the Securities Depository and Clearing Institution, as a nominee holder under the Mainland-Hong Kong Stock Connect Scheme, may make declarations according to the intentions of the actual holders.

In the event of any vote that is uncompleted, erroneously completed or illegible, or fails to be cast, the shareholder casting or failing to cast the same shall be deemed to have waived his/her voting right, and the voting results of the shares held by him/her shall counted as "abstaining from voting".

**Article 96**

If the chairperson of a shareholders' meeting has any doubt about the result of voting on any resolution, the chairperson may request the votes cast to be counted. If the chairperson does not request the votes to be counted, any shareholder attending the meeting in person or by proxy shall have the right to request the votes to be counted immediately after the result of voting is declared if such shareholder objects to the result of voting, in which case, the chairperson shall immediately have the votes counted.

**Article 97**

The resolutions of a shareholders' meeting shall be announced in a timely manner pursuant to the relevant laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed, and the announcement shall set forth the total number of shares entitled to attend and vote at the meeting, the total number of shares entitled to attend at the meeting but required to abstain from voting in favor pursuant to the Rule 13.40 of the Hong Kong Listing Rules, the total number of shares required to abstain from voting pursuant to the Hong Kong Listing Rules, the total number of shares voting in favor and the total number of shares voting against the resolution, among others.

**Article 98**

The resolutions of a shareholders' meeting shall specifically indicate any proposal that fails to be adopted at the meeting or any amendment to any resolution of the previous shareholders' meeting in the corresponding announcement.

**Article 99**

If a shareholders' meeting adopts any resolution on the appointment of directors and supervisors, the term of office of the newly appointed directors and supervisors shall commence from the date of adoption of the relevant resolution at the shareholders' meeting.

**Article 100**

Any resolution on the distribution of cash or stock dividends or capitalization of capital reserve adopted at a shareholders' meeting shall be implemented by the Company within two (2) months after the end of the meeting.

**CHAPTER V BOARD OF DIRECTORS****Section I Directors****Article 101**

Each director of the Company shall be a natural person. No director of the Company shall be a person who:

- (i) does not have capacity or only has limited capacity for civil conduct;
- (ii) has been subject to any criminal penalty due to graft, bribery, embezzlement of property, misappropriation of property or disruption of the order of socialist market economy or been deprived of his/her political rights, and has completed his/her sentence not more than five (5) years or in the case of a suspended sentence, two years have not elapsed since the probation period was complete;
- (iii) has been the director, factory manager or general manager of any company or enterprise that went bankrupt and was liquidated not more than three (3) years, and is personally liable for the bankruptcy of such company or enterprise;
- (iv) has been the legal representative of any company or enterprise that had its business license revoked and was ordered to be closed down due to violation of law not more than three (3) years, and is personally liable for such violation;

- (v) has been identified as a subject of enforcement for breach of trust by the people's court for failure to repay a significant amount of overdue debts;
- (vi) has been and is still being banned by the CSRC from entering the stock market; or
- (vii) is otherwise disqualified to serve as a director of the Company pursuant to the applicable laws, administrative regulations and department rules.

The election and appointment of any director in violation of the provisions of this Article shall be invalid and void. Any director who becomes disqualified during his/her term of office pursuant to this Article shall be removed from office by the Company.

## **Article 102**

Directors shall be elected or replaced at the shareholders' meeting and may be removed at the shareholders' meeting prior to the expiration of their term of office. The term of office of the directors is three (3) years and they are eligible for re-election at the end of the term. However, the re-appointment of independent non-executive director shall be deliberated and approved by the shareholders by way of a separate resolution if the relevant independent non-executive director has served for more than nine (9) years. The document accompanying the resolution to the shareholders should state the reasons why the Board of Directors (or the Nomination Committee) considers that the director remains independent and should be re-elected, including the factors considered as well as the process and the discussion by which the Board of Directors (or the Nomination Committee) made such decision.

The term of office of the directors shall be counted from the date of appointment until the expiration of the term of the current Board of Directors. When the directors' term expires and re-election is not held in time, or where the resignation of a director during his term of office causes the number of the members of the Board of Directors to be less than the quorum, the original directors shall still perform their duties as directors in accordance with laws, administrative regulations, departmental rules and these Articles before the re-elected directors take office.

If a director resigns, they shall notify the company in writing, and the resignation shall take effect on the date the Company receives the notice. However, under the circumstances specified in the preceding paragraph above, the director shall continue to perform their duties.

Subject to the relevant laws and administrative regulations, the shareholders' meeting may by ordinary resolution remove any director during his/her term of office, and the dismissal shall take effect on the date of the resolution. If a director is dismissed before the expiration of his term without justifiable reasons, the director may demand compensation from the company.

The general manager or other senior management may serve as director(s) concurrently, provided that the total number of directors who serve as the general manager or other senior management concurrently or employees' representatives shall not exceed one half (1/2) of the total number of directors of the Company.

The Board shall not have any employee representative director.

Any person appointed by the Board of Directors as a director to fill a casual vacancy or as addition to the Board of Directors shall hold office only until the next following annual shareholders' meeting of the Company, and shall then be eligible for re-election. Subject to the applicable laws and regulations, and the securities regulatory rules of the place where the Company is listed, if the Board of Directors appoints any new director to fill a casual vacancy of the Board of Directors, such director shall be subject to election by the shareholders at the shareholders' meeting immediately following his/her acceptance of the appointment.

## **Article 103**

Subject to the relevant laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles, each director owes fiduciary duties to the Company and shall:

- (i) not take advantage of his/her powers to accept bribes or other illegal payments;



- (ii) not embezzle the property or misappropriate any funds of the Company;
- (iii) not deposit any assets or funds of the Company in any account opened in his/her name or the name of any other person;
- (iv) not lend any funds of the Company to any person or provide any guarantee for any person on the security of any property of the Company in violation of these Articles or without the approval of the shareholders' meeting or the Board of Directors;
- (v) not enter into contracts or conduct transactions with the Company in violation of these Articles or without fulfilling the reporting obligations of the Board of Directors or the shareholders' meeting and without the approval of the shareholders' meeting; The provision shall also apply to the close relatives of directors, supervisors, or senior officers, enterprises directly or indirectly controlled by directors, supervisors, or senior management or their close relatives, and parties having other related-party relationships with directors, supervisors, or senior officers who enter into contracts or engage in transactions with the company.
- (vi) not take advantage of his/her position in the Company to seek any business opportunities for himself/herself or any other person that should be attributable to the Company, except in any of the following circumstances: where the activity is reported to the board of directors or the shareholders' meeting and approved in accordance with the Company's Articles of Association through resolutions of the Board of Directors or the shareholders' meeting; and where the Company cannot exploit the business opportunity according to any laws, administrative regulations, or the Company's Articles of Association;

- (vii) not operate businesses, either self-owned or owned by others, similar to those of the Company they serve, without reporting to the Board of Directors or the shareholders' meeting and obtaining approval in accordance with the Company's Articles of Association through resolutions of the Board of Directors or the shareholders' meeting;
- (viii) not to accept any commissions from others on transactions conducted with the Company;
- (ix) not disclose any secrets of the Company without authorization;
- (x) not use his/her affiliation with the Company to the detriment of the interests of the Company; and
- (xi) perform such other fiduciary duties as set forth in the relevant laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles.

Any director violating the provisions of this Article shall surrender the proceeds derived therefrom to the Company and indemnify the Company for the losses arising therefrom.

#### **Article 104**

Subject to the relevant laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles, each director has a duty of diligence to the Company and shall:

- (i) prudently, seriously and diligently exercise the powers granted by the Company to ensure that the business activities of the Company comply with the applicable laws, administrative regulations and economic policies of the State, and fall within the scope of business set forth in the business license of the Company;
- (ii) fairly treat all shareholders;
- (iii) keep abreast of the business management and operations of the Company;

- (iv) sign off the regular reports of the Company in writing, and ensure the authenticity, accuracy and completeness of the information disclosed by the Company;
- (v) truthfully provide the relevant information and documents to the Supervisory Committee, without obstructing the exercise of powers and duties by the Supervisory Committee and the supervisors; and
- (vi) perform such other duties of care as set forth in the relevant laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles.

#### **Article 105**

The directors shall jointly and severally perform their fiduciary duties and duties of skill, care and diligence to a standard at least commensurate with the standard established by Hong Kong law. This means that every director must, in the performance of his/her duties as a director:

- (i) act honestly and in good faith in the interests of the Company as a whole;
- (ii) act for proper purposes;
- (iii) be answerable to the listed issuer for the application or misapplication of its assets;
- (iv) avoid actual and potential conflicts of interest and duty;
- (v) disclose fully and fairly his/her interests in contracts with the listed issuer; and
- (vi) apply such degree of skill, care and diligence as may be reasonably expected of a person of his/her knowledge and experience and holding his/her office of a listed issuer.

**Article 106**

If any director fails to attend in person or appoint for consistency another director to attend on his/her behalf two (2) consecutive Board Meetings, such director shall be deemed to be unable to perform his/her duties and the Board of Directors shall propose removal of such director to the shareholders' meeting. Subject to the securities regulatory rules of the place where the Company's shares are listed, any director attending the Board Meeting by internet, video, telephone or other equivalent means, shall also be deemed to be present in person thereat.

**Article 107**

A director may submit his/her resignation to the Board of Directors in writing prior to the expiration of his/her term of office, and the resignation shall become effective on the date the Company receives the notice. The Board of Directors shall disclose the relevant information within two (2) days.

If the resignation of any Director causes the number of Board members to be less than the quorum, or if such Director is an independent non-executive director, the number of independent non-executive directors to be less than one third (1/3) of the total number of members of the Board of Directors, or there is no professional accountant among the independent non-executive directors, the resignation of such director shall not take effect until a successor director fills the vacancy arising from his/her resignation. The original director shall perform his/her duties in accordance with the relevant laws, administrative regulations, departmental rules and these Articles until his/her successor is appointed and takes office. The Board of Directors shall convene an extraordinary shareholders' meeting as soon as possible to elect directors to fill the vacancies arising from the resignation of such directors. The term of office of the by-election directors shall be limited to the remaining period of the previous directors.

The resigning director shall specify in his/her letter of resignation the date of resignation, reason of resignation, the posts he/she will resign, and whether he/she will continue to hold any post, and what posts he/she will continue to hold, in the Company and its controlled subsidiaries, among others. The provisions of this Article regarding letter of resignation shall mutatis mutandis apply to the resignation of the supervisors and senior management.

**Article 108**

Any director whose resignation has taken effect or term of office has expired shall perform all necessary hand-over procedures with the Board of Directors, and continue to be bound by the obligation to keep confidential the trade secrets of the Company until the relevant trade secrets have been made public, and other fiduciary duties to the Company and the shareholders shall remain valid until three (3) years after he/she terminates service with the Company.

The provisions of this Article regarding the obligation of confidentiality and fiduciary duties of the outgoing directors shall mutatis mutandis apply to the supervisors and senior management.

**Article 109**

Subject to the provisions of these Articles, no director shall act on behalf of the Company or the Board of Directors in his/her own name without lawful authorization of the Board of Directors. If any third party reasonably believes that a director is acting on behalf of the Company or the Board of Directors, such director shall make clear his/her position and identity in advance.

**Article 110**

In the event of any violation by a director of the relevant laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or these Articles in performing his/her duties in the Company, such director shall indemnify the Company for the losses arising therefrom.

**Article 111**

The independent non-executive directors shall be governed by the relevant laws, administrative regulations and provisions of the CSRC and the stock exchanges of the place where the Company's shares are listed.

**Section II Independent Non-Executive Directors****Article 112**

An independent non-executive director is a director who does not hold any office other than director in the Company, or have any relationship with the Company and its substantial shareholders which could prevent him/her from making an independent and objective judgment, and meets the requirements for independence set forth in the securities regulatory rules of the place where the Company's shares are listed.

The Board shall have independent non-executive directors. the number of independent non-executive directors shall not be less than three (3), and not be less than one third (1/3) of the total members of the Board of Directors, of whom, at least one of the independent non-executive directors shall have appropriate professional qualifications or accounting or related financial management expertise, and at least one of the independent non-executive directors shall be ordinarily resident in Hong Kong.

If, at any time, the independent non-executive directors of the Company cease to meet the requirements of the Hong Kong Listing Rules regarding the number, qualifications or independence of independent non-executive directors, the Company shall immediately notify the Hong Kong Stock Exchange, and publish an announcement containing the relevant details and reasons, and appoint a sufficient number of independent non-executive directors to meet the relevant requirements of the Hong Kong Listing Rules within three (3) months after failing to meet relevant requirements of the Hong Kong Listing Rules.

#### **Article 113**

The independent non-executive directors shall perform their duties in accordance with the relevant laws, administrative regulations, departmental rules, normative documents and the securities regulatory rules of the place where the Company's shares are listed.

The Company shall formulate the terms of reference for independent non-executive directors, which shall set forth, among others, the qualifications, nomination, election, replacement, rights and obligations of the independent non-executive directors, and be submitted to the shareholders' meeting for approval.

#### **Article 114**

In the absence of explicit provisions in this Section regarding independent non-executive directors, the provisions of the relevant laws, administrative regulations, departmental rules, normative documents, the securities regulatory rules of the place where the Company's shares are listed, and these Articles regarding directors of the Company shall apply.

### **Section III Board of Directors**

- Article 115** The Company shall have a Board of Directors which shall be accountable to the shareholders' meeting.
- Article 116** The Board of Directors shall consist of nine (9) directors, including a total of six (6) executive directors and/or non-executive directors, and a total of three (3) independent non-executive directors.
- Article 117** The Board of Directors exercises the following powers and duties:
- (i) to convene a shareholders' meeting and submit a work report to such meeting;
  - (ii) to implement the resolutions of a shareholders' meeting;
  - (iii) to decide on the operation plan and investment scheme of the Company;
  - (iv) to prepare the profit distribution plan and loss recovery plan of the Company;
  - (v) to prepare the plan for the Company to increase or reduce its registered capital, issuance of bonds or other securities and listing plans;
  - (vi) to prepare plans for the material acquisitions by the Company, acquisition of the Company's shares under the circumstances specified in items (i) and (ii) of Article 24 of these Articles, the merger, division, dissolution and change of the form of the Company;
  - (vii) to decide on the Company's outbound investments, acquisition and sale of assets, pledge of assets, external guarantees, entrusted financial management, connected transactions and external donations in accordance with the provisions of laws, regulations and securities regulatory rules of the place where the Company's shares are listed or within the scope of authorization of the shareholders' meeting;

- (viii) to decide, by resolution at a meeting of the Board of Directors attended by more than two-thirds (2/3) of the directors, the plan to acquire the Company's shares under the circumstances specified in items (iii), (v) and (vi) of Article 24 of these Articles;
- (ix) to decide on the establishment of the internal management organizations of the Company;
- (x) to appoint or dismiss the general manager, the Secretary of the Board of Directors and such other senior management, and to determine their remuneration, incentives and punishments; to appoint or dismiss the senior management including the deputy general manager and the chief financial officer of the Company based on the nominations made by the general manager, and to determine their remunerations, incentives and punishments;
- (xi) to establish a basic management system of the Company;
- (xii) to prepare plans to amend these Articles;
- (xiii) to manage information disclosure by the Company;
- (xiv) to make the proposal of engaging or replacing an accounting firm to the shareholders' meeting;
- (xv) to receive the report by the general manager of the Company and review the work performance of the general manager; and
- (xvi) to exercise other powers and duties conferred by relevant laws, administrative regulations, departmental regulations, the securities regulatory rules of the stock exchange of the place where the Company's shares are listed, these Articles or shareholders' meeting.

Any restrictions on the functions and powers of the Board of Directors in the Articles of Association shall not be enforceable against bona fide third parties. Any matters that are beyond the scope of authorization of the shareholders' meeting shall be submitted for deliberation at the shareholders' meeting.



- Article 118** If the certified public accountant appointed by the Company issues a modified audit opinion on any financial report of the Company, the Board of Directors shall explain the reasons to the shareholders' meeting.
- Article 119** The Board shall establish its rules of procedure to ensure the implementation of the resolutions of the shareholders' meeting, improve its efficiency and make scientific decisions.
- Article 120** The Board shall define the authority and establish stringent review and decision-making procedures in respect of outbound investments, acquisition and sales of assets, pledge of assets, external guarantees, entrusted financial management, connected transactions and external donations, and with respect to any material investment, organize the relevant experts and professionals to review and assess such investment, and report the same to the shareholders' meeting for approval.
- Article 121** The Board shall have one (1) chairman, who shall be elected and dismissed by a majority of the directors.
- Article 122** The chairman of the Board shall exercise the following powers and duties:
- (i) to preside over the shareholders' meetings and convene and preside over the Board Meetings;
  - (ii) to supervise and examine the implementation of the resolutions of the Board of Directors;
  - (iii) to execute the documents of the Board of Directors and other documents required to be executed by the legal representative of the Company;
  - (iv) in case of any extremely severe natural disaster, force majeure or emergency, to exercise the special right to dispose of the affairs of the Company for the benefit of the Company according to law, and report to the Board of Directors and the shareholders' meeting afterwards; and
  - (v) to exercise other powers and duties delegated by the Board of Directors.

- Article 123** If the chairman of the Board is unable or fails to perform his/her duties, more than half the directors may elect one of the directors to act on his/her behalf.
- Article 124** The Board shall meet regularly, but in any event at least four (4) times each year, or about once a quarter. The Board Meetings shall be convened by the chairman of the Board, by giving fourteen (14) days' written notice to all directors and supervisors.
- Article 125** The chairman of the Board shall, on requisition of the shareholders representing one tenth (1/10) or more of the voting rights of the Company, or one third (1/3) or more of the directors, or the Supervisory Committee, or two (2) or more independent non-executive directors, or the general manager, convene and preside over an extraordinary Board Meeting within fourteen (14) days after receiving such requisition.
- Article 126** The notice of an extraordinary Board Meeting may be given in person, by post, facsimile, email or otherwise specified herein, three (3) days prior to the date of meeting.
- Notwithstanding the notice period set forth above, if an extraordinary Board Meeting needs to be held as soon as possible in case of any emergency, the meeting notice may be given by telephone or orally at any time, provided that the convener shall provide an explanation at the meeting.
- Article 127** The notice of a Board Meeting shall specify:
- (i) date and place of the meeting;
  - (ii) duration of the meeting;
  - (iii) subject matter and topics of the meeting; and
  - (iv) date of notice.
- Article 128** No Board Meeting shall be held unless a majority of directors is present at such meeting. Any resolution of the Board must be approved by a majority of directors.
- Each director shall have one vote for any resolution of the Board.

**Article 129**

The Board may accept a written proposal in lieu of holding a Board Meeting, provided that the draft of such proposal shall be delivered to each director in person, by post, facsimile or email. Such proposal shall become a resolution of the Board after it has been delivered by the Board to all directors, the number of directors who have signed to consent to such proposal constitutes a required quorum for making a resolution, and the executed copies of such proposal have been delivered to the secretary of the Board in such manner as set forth above, and shall be as effective as a resolution of the Board passed at a meeting held in accordance with the provisions of these Articles.

No regular meeting of the Board shall be held in the manner set forth in the first paragraph of this Article 129.

**Article 130**

Any director, supervisor, general manager or other senior management who is, whether directly or indirectly, materially interested in any established or proposed contract, transaction or arrangement with the Company (except for employment contracts of such director, supervisor, general manager or other senior management entered into with the Company) shall promptly disclose the nature and degree of his/her interest to the Board, regardless of whether the relevant matter requires the approval of the Board under normal circumstances.

Save for the circumstances permitted by the Hong Kong Listing Rules and applicable regulations, the directors shall not vote on any resolutions of the Board in respect of approving a contract, transaction or arrangement or any other related proposal in which these directors or any of their close associates (as defined in the applicable Hong Kong Listing Rules in force from time to time) have a material interest. The directors concerned shall also not be counted for the purpose of determining whether a quorum is present. A Board Meeting may be held with the attendance of a majority of the disinterested directors, and the resolutions made at a Board Meeting shall be approved by a majority of the disinterested directors. The matter shall be submitted to the shareholders' meeting for deliberation if the number of disinterested directors present at the Board Meeting is less than three (3).

Unless the interested director, supervisor, general manager or other senior management has disclosed his/her interest to the Board in accordance with the requirements of the first paragraph of this Article, and the Board has approved such matter at a meeting in which he/she has not been counted a quorum, and has abstained from voting thereon, the Company shall have the right to cancel the relevant contract, transaction or arrangement, expect that the counterparty is a bona fide party who did not know the violation of obligation by such director, supervisor, general manager or other senior management.

Any director, supervisor, general manager or other senior management shall also be deemed interested in a contract, transaction or arrangement if any of his/her related persons has an interest therein.

If a substantial shareholder (as defined in the applicable Hong Kong Listing Rules in force from time to time) or a director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter should be dealt with by a physical Board Meeting rather than a written resolution. Independent non-executive directors, and whose close associates (as defined in the applicable Hong Kong Listing Rules in force from time to time), have no material interest in the transaction should be present at that Board Meeting.

#### **Article 131**

Any resolution put to vote at a meeting of the Board shall be decided by a registered vote.

At an extraordinary Board Meeting, to the extent that the directors have sufficient opportunities to express their opinions, a resolution may be adopted by facsimile or other means and signed by the directors attending the meeting.

**Article 132**

A director shall attend each meeting of the Board in person, or if he/she is unable to attend the meeting due to any reason, he/she may entrust any other director in writing to attend on behalf of him/her. Such instrument of proxy shall specify the name of proxy, matters authorized, powers delegated and validity term, among others, and be signed or stamped by the principal. A director attending a meeting as the proxy of another director shall exercise the rights of a director within the powers delegated by the principal. Any director who fails to attend a Board Meeting in person or by proxy shall be deemed to have waived his/her voting rights at such meeting.

**Article 133**

The Board shall cause minutes to be made in respect of its decisions on the matters discussed at each meeting, which shall be signed by all directors present at such meeting.

The meeting minutes of the Board shall be placed on file of the Company for a period of not less than ten (10) years.

**Article 134**

The minutes of a Board Meeting shall contain, among others:

- (i) date, place and name of convener of the meeting;
- (ii) names of the directors present at the meeting and the directors (proxies) attending the meeting on behalf of other directors;
- (iii) agenda of the meeting;
- (iv) key points of the speeches delivered by each director; and
- (v) method and result of voting on each resolution (including the number of votes for and against and abstentions).

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

### **Article 135**

The Board shall set up the Audit Committee, the Remuneration Committee and the Nomination Committee. The Board may establish other necessary Special Committees based on the actual needs of the Company's operation and management. Such Committees shall be accountable to the Board, perform their respective duties delegated by these Articles and the Board, and submit their proposals to the Board for deliberation.

All members of each Special Committee shall be directors. The independent non-executive directors shall constitute a majority of members, and act as the conveners, of the Audit Committee, the Remuneration Committee and the Nomination Committee. All members of the Audit Committee shall be non-executive directors, and its convener shall be a professional accountant and have appropriate professional qualifications or accounting or related financial management expertise as set forth in the Hong Kong Listing Rules. The Board shall be responsible for formulating the terms of reference of the Special Committees to regulate their operation.

The following matters shall be passed by more than half of the members of the Audit Committee before being resolved by the Board:

- (i) the appointment or dismissal of accounting firms responsible for the auditing of the Company;
- (ii) the appointment and dismissal of financial controller;
- (iii) disclosure of financial and accounting reports;
- (iv) other matters as stipulated by the securities regulatory authorities under the State Council.

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

- Article 136**                      The Company shall have one (1) general manager, who shall be appointed or removed by the Board.
- The Company shall have several deputy general manager who shall be appointed or removed by the Board.
- The general manager, deputy general manager, chief financial officer, the secretary of the Board and other senior management members appointed by the Board shall be the senior management of the Company.
- Article 137**                      Article 101 hereof in relation to the circumstances under which a person may not serve as a director shall mutatis mutandis apply to the senior management.
- The provisions of Article 103 regarding the fiduciary duties of directors and the provisions of items (iv), (v) and (vi) of Article 104 regarding the duty of diligence of directors shall mutatis mutandis apply to the senior management.
- Article 138**                      Any person who holds any administrative office (other than director or supervisor) in the controlling shareholder group of the Company shall not hold any office of senior management in the Company concurrently.
- The senior management may receive their remunerations from the Company only, rather than from the controlling shareholder of the Company.
- Article 139**                      The general manager shall have a term of office of three (3) years and may serve consecutive terms upon reappointment.
- Article 140**                      The general manager of the Company is accountable to the Board of Directors and shall exercise the following powers and duties:
- (i)    to be in charge of managing the Company's production and operation, organize the implementation of resolutions of the Board of Directors, and report to the Board of Directors;

- (ii) to organize the implementation of annual operating plans and investment scheme of the Company;
- (iii) to formulate internal management organization plan;
- (iv) to formulate a basic management system of the Company;
- (v) to formulate specific management system;
- (vi) to advise to the Board of Directors on the appointment or dismissal of other senior management members of the Company;
- (vii) to decide on the appointment or dismissal of senior management of the Company other than those who should be appointed or dismissed by the Board of Directors; and
- (viii) other powers and duties prescribed by these Articles or authorized by the Board of Directors;

The general manager may appear as observer at meetings of the Board of Directors.

#### **Article 141**

The general manager shall prepare the terms of reference for the manager, and implement the same upon approval by the Board of Directors.

#### **Article 142**

The terms of reference for the manager shall specify, among others:

- (i) conditions for convening, proceedings at and attendees of the office meetings by the manager;
- (ii) respective duties and responsibilities and division of labor of the general manager and other senior management;
- (iii) application of the funds and assets of the Company, authority to enter into material contracts, and the system for reporting to the Board of Directors and the Supervisory Committee; and
- (iv) other matters that the Board of Directors deems necessary.



- Article 143** The general manager may resign office prior to the expiration of his/her term of office, subject to the procedures and method of resignation set forth in his/her contract with the Company.
- Article 144** The deputy general manager shall be appointed or removed by the Board of Directors, assist the general manager in his/her work, and be accountable to the general manager.
- Article 145** The Company has secretary of the Board of Directors who is responsible for matters such as preparing the Company's shareholders' meetings and Board Meetings, safekeeping documents, managing the information of the Company's shareholders and handling information disclosure.
- The secretary of the Board of Directors shall comply with the relevant provisions of the laws, administrative regulations, departmental rules and these Articles.
- Article 146** Any senior management who violates the relevant laws, administrative regulations, departmental rules or these Articles in performing his/her duties in the Company shall indemnify the Company for the losses arising therefrom.
- Article 147** The senior management shall faithfully perform their duties, and safeguard the best interests of the Company and all shareholders. Any senior management who fails to faithfully perform his/her duties or breaches the fiduciary duty shall indemnify the Company and the public shareholders for the damages arising therefrom according to law.

## **CHAPTER VII SUPERVISORY COMMITTEE**

### **Section I Supervisors**

- Article 148** Article 102 hereof in relation to the circumstances under which a person may not serve as a director shall mutatis mutandis apply to the supervisors.
- None of the directors, the general manager or other senior management of the Company shall hold the post of supervisor concurrently.

- Article 149** A supervisor shall abide by applicable laws and administrative regulations and the provisions hereof, have the fiduciary duties of loyalty and duty of diligence to the Company, and shall not take advantage of his/her powers to accept bribes or other illegal payments or embezzle the property of the Company.
- Article 150** The term of office of a supervisor is three (3) years and they are eligible for re-election at the end of the term.
- Article 151** If the successor of a supervisor is not appointed upon expiration of his/her term of office or a supervisor resigns office prior to the expiration of his/her term of office, which causes the number of members of the Supervisory Committee to be less than the quorum, such supervisor shall continue to perform his/her duties in accordance with the relevant laws, administrative regulations and these Articles until his/her successor is appointed and takes office. The term of office of the newly elected supervisors shall be limited to the remaining period of the previous supervisors.
- Article 152** The supervisors shall ensure the authenticity, accuracy and completeness of the information disclosed by the Company, and sign to confirm the regular reports of the Company in writing.
- Article 153** The supervisors may appear as observers at the Board Meetings and inquire about or put forward suggestions on any resolution of the Board of Directors.
- Article 154** Any supervisor who violates the relevant laws, administrative regulations, departmental rules or these Articles in performing his/her duties in the Company shall indemnify the Company for the losses arising therefrom.
- Article 155** A supervisor shall not take advantage of his/her affiliation with the Company to the detriment of the interests of the Company, and shall indemnify the Company for the losses arising therefrom.

## **Section II Supervisory Committee**

### **Article 156**

The Company shall establish a Supervisory Committee. The Supervisory Committee consists of five (5) members, two (2) of which is the employee representative supervisor. The Supervisory Committee shall have a chairman, who is elected by the majority votes of the members of the Supervisory Committee. The chairman shall be appointed or dismissed by the votes of more than half of the members of the Supervisory Committee.

The meetings of the Supervisory Committee shall be convened and presided over by the chairman of the Supervisory Committee, or if he/she is unable or fails to do so, by one supervisor elected by more than half of the supervisors.

The Supervisory Committee shall include shareholders' representatives and an appropriate proportion of employees' representatives, of which the proportion of employees' representatives shall not be less than one-third (1/3). The employees' representatives in the Supervisory Committee shall be democratically elected by the employees of the Company through staff assemblies, staff meetings or other means.

### **Article 157**

The Supervisory Committee exercises the following powers and duties:

- (i) to review the report regularly prepared by the Board of Directors and provide written audit opinions;
- (ii) to review the financial position of the Company;
- (iii) to supervise the performance of directors and senior management in fulfilling their duties to the Company, and propose dismissal of directors and senior management that have violated laws, administrative regulations, these Articles or resolutions of the shareholders' meeting;
- (iv) to demand rectification by directors and senior management of the Company when the acts of such persons are prejudicial to the Company's interests;

- (v) to propose the convening of an extraordinary shareholders' meeting, and convene and preside over the shareholders' meeting when the Board of Directors fails to perform such duties provided by the Company Law;
- (vi) to submit proposals to shareholders' meetings;
- (vii) to initiate litigations against directors and senior management in accordance with provisions set out in Article 189 of the Company Law; and
- (viii) to investigate if unusual business operation is found in the Company and, if necessary, an accounting firm, law firm or any other professional organization may be engaged at the expense of the Company to assist its work.

#### **Article 158**

The Supervisory Committee shall meet at least once every six months. An extraordinary meeting of the Supervisory Committee may be convened on requisition of a supervisor.

The resolution of Supervisory Committee shall be passed by a majority of all supervisors, and each member shall have one vote for resolutions to be approved by the Supervisory Committee.

#### **Article 159**

The Supervisory Committee shall establish its rules of procedure, defining its method of discussion and voting procedures, to improve its efficiency and make scientific decisions.

The rules of procedure of the Supervisory Committee shall set forth the procedures to convene, and voting procedures at, meetings of Supervisory Committee, which shall be prepared by the Supervisory Committee and approved by the shareholders' meeting, and constitute an exhibit to these Articles.

#### **Article 160**

The Supervisory Committee shall cause minutes to be made in respect of its decisions on the matters discussed at each meeting, which shall be signed by the supervisors present at such meeting.

A supervisor shall have right to request certain explanatory notes to be made in the meeting minutes regarding his/her speeches at the meeting. The meeting minutes of the Supervisory Committee shall be placed on file of the Company for a period of not less than ten (10) years.

- Article 161** The notice of a meeting of the Supervisory Committee shall specify:
- (i) date, place and duration of the meeting;
  - (ii) subject matter and topics of the meeting; and
  - (iii) date of notice.

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

### **Section I Financial and Accounting System**

- Article 162** The Company shall establish its financial and accounting system in accordance with relevant laws, administrative regulations and requirements of the relevant authorities under the State.
- Article 163** The Company shall prepare a financial report at the end of each financial year, and such financial report shall be audited and verified.
- The Company shall file, disclose and/or submit documents such as annual report, interim report, preliminary results announcement to shareholders in accordance with the laws and regulations of the place of listing, the listing rules of the stock exchange of the place where the Company's shares are listed and other regulatory documents.
- Article 164** The Company shall not keep any account book other than statutory account books. The Company's assets shall not be deposited in any account opened in the name of any individual.
- Article 165** The Company shall appropriate ten percent (10%) of the after-tax profits of each year as the statutory provident fund before distributing profits for such year; provided, however, when the accumulated statutory provident fund has exceeded fifty percent (50%) (inclusive) of the registered capital of the Company, such appropriation may be suspended.

If the statutory provident fund of the Company is insufficient to cover the loss in prior years, the profit in the current year shall be first applied to make up such loss before appropriation of the statutory provident fund as stated above.

After appropriating the statutory provident fund from the after-tax profits, the Company may, by resolution of the shareholders' meeting, further appropriate other surplus reserve from the after-tax profits.

Unless otherwise provided herein, the remaining after-tax profits after making up the losses and appropriating the provident fund shall be distributed to the shareholders in proportion to their respective shareholding.

If the shareholders' meeting resolves to distribute any profits to the shareholders before making up the losses and appropriating the provident fund in violation of the provisions, the shareholders shall return such profits distributed to the Company, and if any losses are caused thereby to the Company, the shareholders, as well as any directors, supervisors, and senior officers responsible for the violation, shall be liable for compensation.

The shares held by the Company shall not involve any profit distribution.

## **Article 166**

The provident fund of the Company are appropriated for purpose of making up the losses or expanding production and operation of the Company or being capitalized; When using the Company's reserves to cover its losses, any discretionary reserve and statutory reserve balances shall first be used to cover such losses; if there is still a shortfall, the capital reserve may be used in accordance with regulations.

In any capitalization of the statutory provident fund, the remaining statutory provident fund shall not be less than twenty-five percent (25%) of the Company's registered capital immediately prior to such capital increase through provident fund transfer.

**Article 167**

After the shareholders' meeting adopts a resolution on any profit distribution proposal, subject to the laws and regulations as well as the securities regulatory rules of the place where the Company's shares are listed, the Board of Directors shall distribute the relevant dividends (or shares) within two (2) months after such meeting ends.

**Article 168**

The Company may distribute dividends in the form of cash or stock, as follows:

- (i) Principles of profit distribution: each share of the Company shall be entitled to the same dividends, and the shareholders shall receive dividends and other profit distributions in proportion to their respective shareholding. The Company adopts a positive policy as regards profit distribution, strives to provide reasonable returns on investment to the investors, and maintains the consistency and stability. The Company may distribute profits in the form of cash or stock, provided that the profits shall be distributed to the limit of aggregate profits distributable, and to the extent that the ability of the Company to continue as a going concern shall not be impaired. The Board, the Supervisory Committee and the shareholders' meeting of the Company shall give full consideration to the opinions of the independent non-executive directors, external supervisors (if any) and the public investors in deciding and demonstrating its profit distribution policy.
- (ii) Forms of profit distribution: the Company may distribute the dividends in the form of cash, stock or a combination of cash and stock, and shall give preference to the distribution of profits in the form of cash to the extent that the Company meets the conditions for distribution of cash dividends.
- (iii) Conditions for distribution and proportion of cash dividends: The Company distributes profits primarily in the form of cash. Specifically, if the Company makes a profit in a year, after making up the loss and appropriating the statutory provident fund and surplus reserve according to law, the Company shall distribute the remaining distributable profits in the form of cash, to the limit of aggregate profits distributable.

**Article 169**

The Company shall appoint one or more collecting agents for the shareholders of H Shares, who shall collect the dividends and other amounts payable in respect of H Shares, and declare such amounts on behalf of the relevant holders, and then pay the same to the relevant holders.

The collecting agents appointed by the Company shall meet the requirements of the laws or rules of stock exchange of the place where the Company's shares are listed.

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

**Section II Internal Audit****Article 170**

The Company shall adopt an internal audit system, and engage full-time auditors, to conduct internal audit and supervision of the Company's financial conditions and economic activities.

**Article 171**

The Company's internal audit system and duties of auditors shall be implemented after being approved by the Board of Directors. The person in charge of audit shall be accountable and report to the Board of Directors.

**Section III Appointment of Accounting Firm****Article 172**

The Company shall appoint an accounting firm meeting the requirements of the Securities Law and the Hong Kong Listing Rules to audit the financial statements and verify the net assets of, and provide other counseling services to, the Company. The accounting firm shall have a term of office of one (1) year and may serve consecutive terms upon reappointment by the Company.

**Article 173**

The appointment of an accounting firm by the Company shall subject to approval of the shareholders' meeting. In case of a casual vacancy in the office of accounting firm, the Board of Directors may appoint an accounting firm to fill such vacancy before the convening of a shareholders' meeting; provided, however, the accounting firm in office (if any) of the Company may act notwithstanding any continuation of such vacancy.



- Article 174** The Company undertakes to provide true and complete accounting vouchers, account books, financial statements and other accounting data to its accounting firm, and shall not refuse to provide, conceal or falsely report any information.
- Article 175** The auditor's fees payable to the accounting firm shall be decided by the shareholders' meeting; provided that the remuneration of an accounting firm appointed by the Board of Directors to fill a casual vacancy before the convening of a shareholders' meeting shall be decided by the Board of Directors.
- Article 176** The appointment, removal or termination of appointment of an accounting firm shall be decided by the shareholders' meeting. If the Company intends to remove or terminate the appointment of an accounting firm, the Company shall give ten (10) days' notice to such accounting firm. When the shareholders' meeting votes on the removal of an accounting firm, such accounting firm shall be given an opportunity to express its opinions.
- If any accounting firm offers to resign, it shall explain to the shareholders' meeting whether the Company has engaged in any misconduct.

## **CHAPTER IX NOTICES AND ANNOUNCEMENTS**

### **Section I Notices**

- Article 177** Subject to compliance with laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the Company's shares are listed, the Company's notice is given by the following manners:
- (i) in person;
  - (ii) by mail;
  - (iii) by announcement;
  - (iv) by facsimile or e-mail; or
  - (v) by other means either approved by the securities regulatory authority in the place where the Company's shares are listed or stipulated in these Articles.

In respect of the manner in which the Company provides or sends corporate communications to the shareholders of H Shares as required under the Hong Kong Listing Rules, subject to compliance with the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles, such corporate communications may be provided or sent to the holders of H Shares through the Company's designated website and/or the Hong Kong Stock Exchange website or via electronic means.

For the purpose of this Article, corporate communication means any document issued or to be issued by the Company for the information or action of any holders of H Shares or other persons required by the Hong Kong Listing Rules.

Any notice regarding the exercise of any powers/rights set forth herein that is given by way of announcement shall be published in such manner as required by the Hong Kong Listing Rules.

**Article 178**

Notices given by the Company by way of announcement shall be deemed to have been received by all relevant persons upon such announcement.

**Article 179**

The notice of any shareholders' meeting shall be delivered in person, by post, facsimile, email, announcements or otherwise set forth herein.

**Article 180**

The notice of any Board Meeting shall be delivered in person, by post, facsimile, email or otherwise set forth herein.

**Article 181**

The notice of any meeting of the Supervisory Committee shall be delivered in person, by post, facsimile, email or otherwise set forth herein.

**Article 182**

Any notice given by the Company shall be deemed to have been delivered: if delivered in person, on the date the recipient signs or stamps the return receipt; if sent by post, the third working day from the date of posting; if transmitted by facsimile, the date of the fax report printed by the fax machine of the Company indicating that the fax was successful shall be deemed as the date of service; if sent via e-mail message, the time when the e-mail message first enters the server system where the e-mail address of the notified party is located shall be deemed as the date of service; or if sent by way of announcement, on the date the announcement is published for the first time.

**Article 183**

The accidental omission to give notice of a meeting to, or the non-receipt of any notice of a meeting by, any person entitled to receive such notice shall not invalidate such meeting or the resolution of such meeting.

**Section II Announcements****Article 184**

The media/websites designated by the Company and recognized by the stock exchange of the place where the Company's shares are listed shall be the media that the Company publishes announcements and other information required to be disclosed.

**CHAPTER X MERGER, SPIN-OFF, CAPITAL INCREASE AND REDUCTION, DISSOLUTION AND LIQUIDATION****Section I Merger, Spin-off, Capital Increase and Reduction****Article 185**

Corporate merger may take the form of merger by absorption or by establishment.

Merger by absorption refers to a company absorbing another company, in which the company being absorbed shall be dissolved. Merger by establishment refers to the establishment of a new company by merging two or more companies, whereby the merging parties shall be dissolved.

- Article 186** In the event of any merger involving the Company, the Company shall enter into a merger agreement with other parties involved and prepare a balance sheet and a list of assets. The Company shall notify its creditors within ten (10) days after the adoption of the relevant resolution and publish announcements in the newspapers recognized by the stock exchange of the place where the Company's shares are listed within thirty (30) days.
- The creditors may request the Company to discharge its obligations or offer appropriate security within thirty (30) days after receiving such notice, or if they fail to receive such notice, within forty-five (45) days after the publication of such announcement.
- Article 187** In the event of any merger involving the Company, the surviving company or the newly established company shall assume all claims and debts of the parties involved in such merger.
- Article 188** In the event of any spin-off of the Company, its assets shall be divided accordingly.
- In the event of any spin-off of the Company, the Company shall prepare a balance sheet and a list of assets, notify its creditors within ten (10) days after the adoption of the relevant resolution and publish announcements in the newspapers recognized by the stock exchange of the place where the Company's shares are listed or the National Enterprise Credit Information Publicity System within thirty (30) days.
- Article 189** Unless otherwise agreed by the Company and its creditors in writing prior to such spin-off with respect to the discharge of obligations, the company spun off from the Company shall be jointly and severally liable for the obligations of the Company prior to such spin-off.
- Article 190** The Company shall prepare a balance sheet and a list of assets in the event it is required to reduce its registered capital.

The Company shall notify its creditors within ten (10) days after the adoption of the relevant resolution on the reduction of the registered capital and publish announcements in the newspapers recognized by the stock exchange of the place where the Company's shares are listed or the National Enterprise Credit Information Publicity System within thirty (30) days. The creditors may request the Company to discharge its obligations or offer appropriate security within thirty (30) days after receiving such notice, or if they fail to receive such notice, within forty-five (45) days after the publication of such announcement.

The Company's registered capital after such reduction shall not be lower than the minimum amount of the registered capital required by law.

#### **Article 191**

Where the merger or spin-off of the Company results in a change in its registered particulars, such change shall be registered with the company registry according to law. Where the Company is dissolved, it shall cancel its registration according to law. Where a new company is established, its establishment shall be registered according to law.

Any increase or reduction of the registered capital of the Company shall be registered with the company registry according to law.

### **Section II Dissolution and Liquidation**

#### **Article 192**

The Company may be dissolved in any of the following circumstances:

- (i) the term of business of the Company stipulated in these Articles has expired or any other trigger for dissolution stipulated herein has occurred;
- (ii) the resolution of shareholders' meeting has resolved to dissolve the Company;
- (iii) the merger or division of the Company requires a dissolution;
- (iv) the business license is revoked in accordance with the law, or the Company is ordered to close or is cancelled; or

- (v) serious difficulties arise in the operation and management of the Company and its continued existence would cause material loss to the interests of the shareholders and such difficulties cannot be resolved through other means, in which case shareholders holding at least 10 percent of all shareholders' voting rights may petition a people's court to dissolve the Company.

If the Company encounters the reasons for dissolution as stipulated in the preceding paragraph, it shall publicize the reasons for dissolution through the National Enterprise Credit Information Publicity System within ten days.

#### **Article 193**

Under the circumstance set out in item (i) and item (ii) of Paragraph 1 of Article 192 and it has not distributed any property to shareholders, the Company may continue to exist by amending these Articles or by a resolution of the shareholders' meeting.

Any amendment to these Articles pursuant to the preceding paragraph shall be subject to approval of two thirds (2/3) or more of the votes held by the shareholders present at the shareholders' meeting.

#### **Article 194**

Where the Company is dissolved under the circumstances set out in items (i), (ii), (iv) and (v) of Paragraph 1 of Article 192 hereof, the director is the liquidation obligor of the Company, and the Company shall establish a liquidation committee to carry out liquidation within fifteen (15) days from the date when the cause of dissolution occurred. The composition of the liquidation committee shall be determined by the directors or the shareholders' meeting. If the liquidation obligor fails to fulfill the liquidation obligation in a timely manner and causes losses to the Company or creditors, they shall bear the liability for compensation.

If the liquidation committee is not established within the deadline for liquidation or fails to liquidate after the establishment of the liquidation committee, interested parties may apply to the people's court to designate relevant personnel to form a liquidation committee for liquidation. The people's court shall accept the application and promptly organize liquidation committee to carry out liquidation.

**Article 195**

The liquidation committee shall perform the following powers and duties during the period of liquidation:

- (i) To examine and take possession of the assets of the Company and prepare the balance sheet and a property inventory;
- (ii) To inform creditors by notice or announcement;
- (iii) To deal with the outstanding businesses of the Company relating to liquidation;
- (iv) To pay off outstanding taxes as well as taxes arising in the course of liquidation;
- (v) To settle credits and debts;
- (vi) To allocate of the remaining assets of the Company after repayment of debts; and
- (vii) To represent the Company in civil proceedings.

**Article 196**

The liquidation committee shall notify all creditors within ten (10) days after its establishment and shall publish announcements in newspapers recognized by the stock exchange of the place where the Company's shares are listed or the National Enterprise Credit Information Publicity System within sixty (60) days. The creditors shall file their claims with the liquidation committee within thirty (30) days after receiving such notice, or if they fail to receive such notice, within forty-five (45) days after the publication of such announcement.

In filing its claims, a creditor shall provide the particulars of such claims and the supporting documents. The liquidation committee shall register the claims filed by the creditors.

During the claim declaration period, the liquidation committee shall not repay any debt to any creditor.

**Article 197**

After the liquidation committee has examined and taken possession of the assets of the Company and prepared a balance sheet and a property inventory, it shall formulate a liquidation proposal and submit it to the shareholders' meeting or the people's court for confirmation.

The remaining assets of the Company after paying the costs of liquidation, the employees' salaries, social insurance contributions and legal compensation, taxes and debts of the Company shall be distributed to the shareholders in proportion to their respective shareholding.

During the period of liquidation, the Company shall not engage in any business activity except for those relating to the liquidation.

Before liquidation as specified in the preceding paragraphs, the assets of the Company shall not be distributed to shareholders.

**Article 198**

After the liquidation committee has sorted out the assets of the Company and prepared a balance sheet and a property inventory, if it discovers that the Company's assets are insufficient to repay its debts in full, it shall apply to the people's court for a bankruptcy liquidation in accordance with the law.

After the people's court accepts the bankruptcy application, the liquidation committee shall hand over liquidation affairs to the administrator designated by the people's court.

**Article 199**

After completion of liquidation of the Company, the liquidation committee shall prepare a liquidation report and submit the same to the shareholders' meeting or the people's court for confirmation, then deliver the same to the Company's registration authority to apply for cancellation of the Company's registration and publicly announce the Company's dissolution.

**Article 200**

Members of the liquidation committee shall fulfill liquidation responsibilities with a duty of loyalty and diligence.

Any member of the liquidation committee shall not take advantage of his/her powers to accept bribes or other illegal payments or embezzle the property of the Company.



Any member of the liquidation committee who neglects their liquidation responsibilities and causes losses to the Company shall be liable for compensation; if losses are caused to the Company or any creditor due to intent or gross negligence, such member shall be liable for compensation.

**Article 201**

If the Company declares bankruptcy according to law, the Company shall perform bankruptcy liquidation procedures according to the laws relating to bankruptcy of companies.

**CHAPTER XI AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

**Article 202**

The Company shall amend these Articles under any of the following circumstances:

- (i) the amendment in the Company Law or the relevant laws, administrative regulations, departmental rules and securities regulatory rules of the place where the Company's shares are listed has caused contradiction between the matters stipulated in these Articles and the amended laws, administrative regulations, departmental rules and securities regulatory rules of the place where the Company's shares are listed;
- (ii) change in the condition of the Company which makes it inconsistent with the content sets out in these Articles; or
- (iii) the shareholders' meeting decides to amend these Articles.

**Article 203**

The amendments of these Articles adopted by the shareholders' meeting of shareholders shall be submitted to the competent authorities for approval if they need to be approved by the relevant competent authorities. If an amendment to these Articles involves a registered particular of the Company, registration of the change shall be carried out in accordance with the law.

**Article 204**

The Board shall amend these Articles in accordance with the resolutions of the shareholders' meeting and the comments of the competent authorities on any amendment hereto.

**Article 205**

Any amendment to these Articles shall be subject to announcement if so required by the laws and regulations.

## CHAPTER XII SUPPLEMENTARY PROVISIONS

### Article 206

Definitions:

- (i) Controlling shareholder means any Shareholder or other person or group of persons together entitled to exercise, or control the exercise of 30% (or such other percentage as may be prescribed by law from time to time as may be necessary to trigger a mandatory public offer or to establish legal or managerial control over an enterprise) or more of the voting power at shareholders' meetings of the Company or who is in a position to control the composition of a majority of the Board of Directors of the Company.
- (ii) De facto controller means any person who is not a shareholder but actually possesses the power to direct the acts of the Company through investment, contract or other arrangement.
- (iii) Affiliation means the relationship between any controlling shareholder, de facto controller, director, supervisor or senior management of the Company and any entity controlled by it or him/her directly or indirectly, or other relationship that may cause any transfer of the benefits of the Company, or otherwise falling within the meaning of the Hong Kong Listing Rules; provided, however, the entities controlled by the State shall not be deemed to be affiliated with each other solely because they are under common control by the State.

### Article 207

Subject to the provisions hereof, the Board of Directors may formulate detailed rules for implementation of these Articles, provided that such detailed rules shall not conflict with the provisions hereof.

### Article 208

These Articles shall be prepared in Chinese. In case of any discrepancy between different languages or versions of these Articles and these Articles, the Chinese version of these Articles most recently filed with the administration for industry and commerce shall prevail.

- Article 209** For purpose of these Articles, the terms “not less than”, “within” and “not more than” include the given figure, and the terms “less than”, “beyond”, “higher than” “lower than”, “more than”, “exceeding” and “over” do not include the given figure.
- Article 210** The Board shall be responsible for the interpretation of these Articles.
- Article 211** The exhibits to these Articles include the rules of procedure for the shareholders’ meeting, the rules of procedure for the Board of Directors and the rules of procedure for the Supervisory Committee.
- Article 212** These Articles are formulated by the Board of Directors and submitted to the shareholders’ meeting for approval, and shall take effect from the date when the H Shares issued by the Company are listed and traded on the Hong Kong Stock Exchange.

\* *Important Note: The above is an English translation of the Chinese version of the Articles of Association of Guangdong Syntrust GK Testing and Certification Tech Service Center Co., Ltd. In case of any discrepancies or inconsistencies, the Chinese version shall always prevail.*