

# **Yantai North Andre Juice Co., Ltd.\***

## **Articles of Association**

Important Note: The following is an English translation of the Chinese version of the Articles of Association of Yantai North Andre Juice Co., Ltd.\*(the “Articles of Association”). In case of any discrepancies or inconsistencies, the Chinese version shall always prevail.

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# **Yantai North Andre Juice Co., Ltd.\***

## **Articles of Association**

### **Chapter 1 General Provisions**

#### Article 1

To safeguard the lawful rights and interests of Yantai North Andre Juice Co., Ltd.\* (hereinafter referred to as “the Company”), the shareholders as well as the creditors and to regulate the organizations and acts of the Company, in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), Guidelines for Articles of Association of Listed Companies, *Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises*, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as “Listing Rules of SEHK”), Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (hereinafter referred to as “Listing Rules of the Company’s Share Listing Place” collectively with Listing Rules of SEHK), and provisions of other laws, administrative regulations, departmental rules, regulatory documents and relevant regulatory authorities, the Articles of Association are hereby made.

The Company is a Sino-foreign joint venture stock limited company established in accordance with the *Company Law*, *Securities Law* and other relevant laws and administrative regulations of the state.

Upon the approval of the Ministry of Foreign Trade and Economic Cooperation with Wai Jing Mao Zi Er Han [2001] No. 535 document, the Company was established from a Sino-foreign joint venture on June 14, 2001. The number of Certificate of Approval for Establishment of Enterprises with Foreign Investment is: Wai Jing Mao Zi Shen Zi [2001] No. 0067. The Company was registered in Shandong Administration for Industry and Commerce on June 26, 2001, which has obtained the Corporation Legal Person Business License (Unified Social Credit Code: 91370000613431903J).

Upon the approval of China Securities Regulatory Commission (hereinafter referred to as “CSRC”), the Company issued 20,000,000 RMB ordinary shares to the public on August 21, 2020, which were listed on Shanghai Stock Exchange on September 18, 2020.

#### Article 2

Registered Chinese Name of the Company: 烟台北方安德利果汁股份有限公司

Registered English Name of the Company: Yantai North Andre Juice Co., Ltd.\*

#### Article 3

Company address: 18 Andre Street, Muping Economic Development Zone, Yantai City,

Shandong Province  
Tel.: (0086) 535-4235386  
Fax: (0086) 535-4218858  
P.C.: 264100

#### Article 4

The legal representative of the Company shall be the chairman of its Board of Directors or the president of the Company, which shall be determined by the Board of Directors by the resolution. If the chairman or the president serving as the legal representative resigns, he/she shall be deemed to have resigned as the legal representative at the same time.

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

#### Article 5

The Company is a perpetual joint stock limited company.

#### Article 6

The entire assets of the Company are divided into shares of equal value. The shareholders shall assume liability for the Company to the extent of their respective capital contributions. The Company shall assume liability for its debts to the extent of all of its assets.

#### Article 7

The Articles of Association shall be a legally binding document that regulates the organizations and acts of the Company as well as the rights and obligations between the Company and the shareholders and among the shareholders from the effective date.

#### Article 8

The Articles of Association shall be legally binding upon the Company and its shareholders, directors, President, Vice President, chief financial officer and other senior management personnel. All the above persons may make claims concerning all matters of the Company in accordance with the Articles of Association.

Shareholders may sue the Company in accordance with the Articles of Association. The Company may sue the shareholders, directors, senior management personnel in accordance with the Articles of Association. Shareholders may sue shareholders in accordance with the Articles of Association. Shareholders may sue directors, President, Vice President, chief financial officer and other senior management personnel of the Company in accordance with the Articles of Association.

Other senior management personnel referred to in the Articles of Association means the secretary of the Board and the chief engineer of the Company.

#### Article 9

The Company may invest in other enterprises. It shall be liable for such invested enterprises to the extent of the amount of investment.

The Company shall not become a contributor bearing joint and several liabilities for the debts of the invested enterprises.

## **Chapter 2 Purpose & Scope of Business**

#### Article 10

The Company's purpose of business is: According to the shareholders' visions to enhance economic cooperation, by synthesizing the advantages of each shareholder, adopt applicable advanced technologies, excellent scientific management methods and effective market expansion methods and channels to be competitive in both Chinese market and the global market in terms of the product quality and price so as to provide each shareholder with satisfied returns on investment.

#### Article 11

The business scope of the Company shall be in accordance with the items approved by the company registry.

The Company's scope of business shall include:

Production and sale of various virgin pulp juice, fruit and vegetable juice, compound fruit and vegetable juice, drinking water, fruit vinegar, jam, cans, edible fruit and vegetable essence, and food flavouring; processing and sale of iron packaging products; biological and comprehensive utilization of pomace; wholesale, import and export businesses of various virgin pulp juice, fruit and vegetable juice, compound fruit and vegetable juice, fruit pulps and edible fruit and vegetable essence, and food flavouring; leasing of proprietary premises (For projects requiring approval according to laws, business activities shall only be carried out after obtaining approval from relevant authorities, and the validity is subject to the permit granted).

According to domestic and international market trends, domestic and overseas business development needs as well as the self-development abilities and performance requirements of the Company, upon the approval of relevant government departments, the Company may adjust its investment policy, scope of business and mode of business operation, and establish branches and offices at home and abroad as well as in the regions such as Hong Kong, Macao and Taiwan in due time.

## **Chapter 3 Shares & Registered Capital**

#### Article 12

Shares of the Company are issued in the form of stock. Issuance of shares of the Company

shall follow the principles of openness, fairness and impartiality, and each share of the same class shall have equal rights.

The stock of the same batch and the same class shall be issued in the same terms and price. Each unit or individual shall pay the same price per share for the subscribed shares.

#### Article 13

All the stocks issued by the Company shall have a par value of RMB 1 yuan for each share.

For the purpose of the preceding paragraph, the term “RMB” refers to the legal currency of the People’s Republic of China.

#### Article 14

The Company or its subsidiaries (including its affiliated enterprises) shall not provide any financial assistance to those who buy or intend to buy shares of the Company in the form of gifts, advances, guarantees, compensation or loans.

#### Article 15

Before initial public offering of H shares made by the Company, total ordinary shares issued by the Company to initiators were 113.88 million shares. Shares held by the initiators are as follows:

Title or name of initiators	Shares (ten thousand)	Shareholding ratio (%)	Method of capital contribution
Glorious Cause Afforestation Finishing Co., Ltd.	5,466.24	48.00	Net asset
Korea Jeong Soo Andre Co., Ltd.	2,847.00	25.00	Net asset
Yantai Donghua Fruit Industry Co., Ltd.	1,992.90	17.50	Net asset
Beijing RAJ Network Sales Co., Ltd.	569.40	5.00	Net asset
YUNG, Ka Hee Titus	341.64	3.00	Net asset
Yantai Kunyu Mountain Forest & Fruit Co., Ltd.	170.82	1.50	Net asset

Details are as follows (indicating month and year):

In April 2003, upon the approval of China Securities Regulatory Commission, the Company totally issued 38 million H shares, accounting for 25.02% of the total amount of the issued ordinary shares of the Company at that time.

In December 2003, the Company divided the shares with the par value of each stock changed to RMB 0.1 yuan from RMB 1 yuan.

In July 2004, upon the approval of the national approval authority, the Company increased its capital and expanded its shares. After capital increase, the registered capital of the Company was RMB 169.73 million yuan and the total shares increased to 169,730 ten thousand shares. In November 2005, upon the approval of the national approval authority, the Company increased its capital and expanded its shares. After capital increase, the registered capital of the Company was RMB 180.888 million yuan and the total shares increased to 180,888 ten thousand shares. In May 2007, upon the approval of the national approval authority, the Company increased its capital and expanded its shares. After capital increase, the registered capital of the Company was RMB 193.888 million yuan and the total shares increased to 193,888 ten thousand shares. In March 2008, the Company increased shares by capital conversion from capital surplus to all shareholders, thus the registered capital increased to RMB 426.5535 million yuan and the total shares increased to 426,553.6 ten thousand shares. In June 2012, upon the approval of the national approval authority, the Company reduced its capital, thus the registered capital decreased to RMB 408.988 million yuan and the total shares decreased to 408,988 ten thousand shares.

In January 2013, the Company consolidated the shares with the par value of each stock changed to RMB 1 yuan from RMB 0.1 yuan.

In January 2015, upon the approval of the national approval authority, the Company reduced its capital. The registered capital decreased to RMB 392,600,000 yuan, and the total shares decreased to 392,600,000 shares. In October 2015, upon the approval of the national approval authority, the Company reduced its capital. The registered capital decreased to RMB 381,000,000 yuan, and the total shares decreased to 381,000,000 shares. In November 2016, upon the approval of the national approval authority, the Company reduced its capital. The registered capital decreased to RMB 368,000,000 yuan, and the total shares decreased to 368,000,000 shares. In September 2017, upon the approval of the national approval authority, the Company reduced its capital. The registered capital decreased to RMB 358,000,000 yuan, and the total shares decreased to 358,000,000 shares.

Upon the approval of China Securities Regulatory Commission on August 21, 2020, the Company conducted an initial public offering of 20,000,000 RMB ordinary shares on September 8, 2020, which were listed on Shanghai Stock Exchange on September 18, 2020.

#### Article 16

The total shares of the Company is 334,188,000 shares: 334,188,000 ordinary shares, of which 270,536,000 shares are held by shareholders of domestic shares and 63,652,000 shares are held by shareholders of overseas listed foreign shares.

#### Article 17

The registered capital of the Company shall be RMB 334,188,000 yuan.

#### Article 18

Unless otherwise provided by laws and administrative regulations, the shares of the Company may be transferred according to law.

#### Article 19

The shares of the Company shall be bought, sold, donated, inherited and mortgaged in accordance with relevant national laws, administrative regulations, departmental rules, listing rules of the place where the Company's shares are listed and the Articles of Association. The transfer procedures for the transfer and assignment of the Company's shares shall be conducted in accordance with relevant regulations.

#### Article 20

The shares of the Company shall be issued in the principles of publicity, fairness and impartiality. Each share of the same category shall have equal rights.

Shares of the same category issued at the same time shall be issued on the same conditions and at the same price; the stocks subscribed for by any units or individuals shall be of the same price for each share.

### **Chapter 4 Increase, Reduction & Repurchase of Shares**

#### Article 21

For the purpose of business operation and development, according to laws and regulations, upon resolutions made by General Meeting, the Company may adopt the following methods to increase its capital:

- (I) Issuance of shares to unspecified objects;
- (II) Issuance of shares to specific objects;
- (III) Allotment of bonus shares to the existing shareholders;
- (IV) Share capital increase from common reserve funds; and
- (V) Other methods approved by laws, administrative regulations and relevant regulatory authorities.

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

#### Article 22

The Company may reduce its registered capital. The decrease of registered capital shall follow the procedures set forth in the *Company Law*, other regulations and the Articles of Association.

When the Company increases or reduces its registered capital, it shall transact changing registration with the company registry.

## Article 23

The Company shall not purchase its own shares. However, except for one of the following circumstances:

- (I) Reduce the registered capital of the Company;
- (II) Merger with other companies holding stocks in the Company;
- (III) Shares to be used for employee stock ownership plan or stock ownership incentive;
- (IV) Shareholders' shares to be acquired by the Company due to Shareholders' objection to the merger and dissolution resolutions adopted by the General Meeting;
- (V) Shares to be used for converting corporate bonds issued by companies that can be converted into shares; and
- (VI) Necessity for the company to maintain corporate value and shareholders' interests.

Although provisions of the Articles of Associations in respect of acquisition of its shares by the Company have been amended, when the Company acquires its shares, it must still proceed in accordance with the relevant requirements and restrictions of the Listing Rules of SEHK, including but not limited to the relevant provisions of Chapter 10 and Chapter 19A. In particular, in accordance with Rule 10.06(5) and Rule 19A.24 of the Listing Rules of SEHK, the listing of all H shares acquired by the Company will be automatically cancelled upon acquisition, and the Company shall apply for listing of any further issues of H shares and such shares are not held as treasury shares in the normal way. The Company must ensure that the documents of title of the acquired H shares are cancelled and destroyed as soon as possible after the settlement of the acquisition of its H shares.

The Company may acquire its shares through public centralized trading or other methods permitted by laws, regulations and CSRC.

When the Company acquires its shares due to the circumstances in the Items (III), (V) and (VI) of the first paragraph, it shall be conducted through public centralized trading.

When the Company acquires its shares due to the reasons in the Items (I) and (II), it shall be approved by the General Meeting. When the Company acquires its shares due to the circumstances in the Items (III), (V) and (VI) of the first paragraph, it may be approved by the Board Meeting attended by more than two-thirds of the directors according to the provisions of the Articles of Association or the authorization of the General Meeting.

When the Company purchases its shares in accordance with the preceding paragraph, in case of (I), the shares shall be cancelled within 10 days from the date of purchase; and in case of (II) and (IV), the shares shall be transferred or cancelled within 6 months.

When the Company purchases its shares in accordance with the preceding (III), (V) and (VI) of the first paragraph, the total number of the Company's shares held by the Company shall not be over 10% of the total shares issued by the Company. The acquired shares shall be transferred or cancelled within 3 years.

## **Chapter 5 Transfer of Shares**

### **Article 24**

The shares of the Company shall be transferred according to law.

### **Article 25**

The Company shall not accept its own shares as the subject of a pledge.

### **Article 26**

The shares held by the initiator in the Company shall not be transferred within 1 year from the establishment date of the Company. The shares issued prior to public share issuance of the Company shall not be transferred within 1 year from the listing date in the stock exchange for transaction.

The directors and senior management personnel shall declare to the Company about the shares held by them and the changing conditions. During their term of office, the shares transferred each year shall not exceed 25% of all shares held by them; and the shares of the Company held by them shall not be transferred within 1 year from the listing date in the stock exchange for transaction. After leaving their posts, the above people shall not transfer the shares of the Company held by them within half a year. Where the regulatory rules of the place where the Company's shares are listed have other provisions on the transfer restrictions of H shares, those provisions shall prevail.

### **Article 27**

If the shareholders holding over 5% of the Company's shares, directors and senior management personnel sell their shares or other securities with the nature of stock right held by them within 6 months after they purchase the shares or repurchase the shares within 6 months after selling out, the profits earned hereof shall belong to the Company and the Board of Directors of the Company shall reclaim the profits. However, securities companies holding over 5% of the shares of the Company due to stand-by underwriting and other circumstances stipulated by China Securities Regulatory Commission are excluded.

The shares or other securities with the nature of stock right held by the directors, senior management personnel referred to in the preceding clause and natural person shareholders include the shares or other securities with the nature of stock right held by their spouse, parents and children and held with the accounts of the others.

If the Board of Directors of the Company fails to implement the regulations as the preceding paragraph 1 of this Article, the shareholders shall have the right to request the Board of Directors to take an action within 30 days. If the Board of Directors of the Company fails to take an action within the aforesaid time limit, the shareholders may, in

their own names, directly appeal to the People's Court for the benefit of the Company. If the Board of Directors of the Company fails to perform the duty as prescribed in the first paragraph under Article 34, the directors who are accountable thereto may bear joint and several liabilities according to law.

## **Chapter 6 Shareholders & General Meeting**

### **Section 1 Shareholders**

#### Article 28

The Company shall establish a register of shareholders based on the documents provided by the securities registration agency, which is sufficient evidence to prove that shareholders hold shares of the Company. Shareholders shall enjoy rights and have obligations according to the category and number of shares held by them. Holders of shares of the same category shall enjoy equal rights and have equal obligations.

#### Article 29

When convening General Meeting, distributing dividends, conducting liquidation, or engaging in other acts requiring confirmation of shareholder identity, the Board of Directors or the convener of the General Meeting shall determine a record date. Shareholders registered at the close of business on the record date shall be the shareholders entitled to relevant rights and interests.

#### Article 30

Holders of shares of the Company shall enjoy the following rights:

- (I) To obtain dividends and other profit distributions on the basis of the number of shares held by them;
- (II) To request, convene, preside over, attend or appoint the shareholders' proxies to participate in General Meetings and exercise the corresponding voting rights according to law;
- (III) To supervise the Company's business, and raise suggestions and inquiries;
- (IV) To transfer, bestow or pledge their shares in accordance with laws, administrative regulations and the Articles of Association;
- (V) To consult and copy the articles of association, shareholders' register, minutes of General Meeting, resolutions of board meetings and financial accounting reports; Shareholders who satisfy the prescribed conditions may inspect the Company's accounting books and vouchers.

(VI) The Company shall not exercise any rights or damnify the rights attached to any shares held by any persons directly or indirectly having rights and interests in the way of freezing or other ways only because they do not disclose their rights and interests to the Company;

(VII) To request the Company to acquire the shares of shareholders who object to resolutions of the Company's merger and division; and

(IX) Other rights conferred by laws, administrative regulations and the Articles of Association.

#### Article 31

If the shareholders request to check and copy relevant information or ask for materials listed in the preceding Article, such shareholders shall comply with the provisions of laws and administrative regulations such as the Company Law and the Securities Law, and they shall provide written documents which prove the category and number of their shares. The Company shall check their status and provide the materials requested upon verification.

#### Article 32

If the resolutions of the General Meeting and the Board Meeting violate laws and administrative regulations, the shareholders have the right to request the People's Court to judge such resolutions to be invalid.

If the convening procedures and voting ways of the General Meeting and the Board Meeting violate laws, administrative regulations or the Articles of Association, or the resolutions violate the Articles of Association, the shareholders have the right to request the People's Court to cancel the aforesaid within 60 days after the resolutions are made. However, this shall not apply if the convening procedures or voting methods of a General Meeting or Board Meeting only involve minor procedural defects that do not materially affect the resolution.

If the Board of Directors, shareholders, or other relevant parties dispute the validity of a General Meeting resolution, they shall promptly file a lawsuit with the People's Court. Prior to the People's Court rendering a judgment or ruling to revoke the resolution, the relevant parties shall execute the General Meeting resolution. The Company, its directors, and senior executives shall diligently perform their duties to ensure the normal operation of the Company.

Upon the People's Court rendering a judgment or ruling on relevant matters, the Company shall perform information disclosure obligations in accordance with laws, administrative regulations, the requirements of the China Securities Regulatory Commission, and the stock exchanges, fully explaining the impact, and shall actively cooperate in the execution after the judgment or ruling takes effect. If correction of prior matters is involved, the Company shall handle it promptly and perform the corresponding information disclosure obligations.

### Article 33

Resolutions of the Company's General Meeting or Board of Directors shall be void under any of the following circumstances:

- (I) A resolution was adopted without convening a General Meeting or Board Meeting;
- (II) The General Meeting or Board Meeting did not conduct voting on the matter subject to resolution;
- (III) The number of attendees or the voting rights represented at the meeting did not reach the quorum required by the Company Law or the Articles of Association;
- (IV) The number of persons or the voting rights in favor of the resolution did not reach the threshold required by the Company Law or the Articles of Association.

### Article 34

If directors and senior management personnel other than members of the Audit Committee violate laws, administrative regulations or the Articles of Association and cause losses to the Company when performing their duties, the shareholders individually or jointly holding over 1% of the shares of the Company for more than 180 continuous days have the right to request the Audit Committee in written form to file a suit in the People's Court; if the Audit Committee violates laws, administrative regulations and the Articles of Association and causes losses to the Company when performing its duties, the shareholders may request the Board of Directors in written form to file a suit in the People's Court.

If the Audit Committee and the Board of Directors refuse to file a suit after receiving a written request of shareholders prescribed in the above Article, or fail to file a suit within 30 days after receiving the request, or fail to immediately file a suit due to emergency, causing irretrievable damage to the benefits of the Company, the shareholders prescribed in the above article, in their own names, have the right to directly file a suit in the People's Court.

If others infringe the lawful rights and interests of the Company and cause losses to the Company, the shareholders prescribed in the first paragraph of this Article may file a suit in the People's Court according to the regulations of the above two paragraphs.

If any directors or senior executives of the Company's wholly-owned subsidiary, in performing their duties, violate laws, administrative regulations, or the

Articles of Association, causes losses to the Company, or where a third party infringes upon the lawful rights and interests of the wholly-owned subsidiary causing losses, shareholders who have individually or jointly held 1% or more of the Company's shares for 180 consecutive days or more may, in accordance with the first three paragraphs of Article 189 of the Company Law, make a written request to the Board of Supervisors or the Board of Directors of the wholly-owned subsidiary to file a lawsuit with the People's Court, or may directly file a lawsuit in their own name with the People's Court.

### Article 35

If directors and senior management personnel violate laws, administrative regulations or the Articles of Association and damage the profits of shareholders, the shareholders may file a suit in the People's Court.

#### Article 36

Holders of shares of the Company shall assume the following obligations:

- (I) To abide by laws, administrative regulations and the Articles of Association;
- (II) To pay the shares on the basis of the shares subscribed by them and the method of capital injection;
- (III) Not allowed to withdraw their share capital, except for the cases regulated by laws and regulations;
- (IV) Not allowed to abuse the rights of shareholders to damage the profits of the Company or other shareholders, or to abuse the legal person's independent status in the Company and the limited liability of shareholders to damage the benefits of creditors;
- (V) Other obligations stipulated by laws, administrative regulations and the Articles of Association.

The shareholders of the Company shall be liable for the losses caused to the Company or other shareholders as a result of misuse of Shareholders' rights. If the shareholder abuses the independence status of the legal person of the Company and the limited liability of shareholders to evade debt and seriously damage the interests of the Company's creditors, such shareholder shall be jointly and severally liable for the debts of the Company.

#### Article 37

The Company's controlling shareholders and actual controllers shall exercise their rights and fulfill their obligations in accordance with laws, administrative regulations, the requirements of the China Securities Regulatory Commission, and the stock exchange rules, and shall safeguard the interests of the Company.

#### Article 38

The Company's controlling shareholder and actual controller shall comply with the following provisions:

- (I) Exercise shareholder' rights lawfully, and refrain from abusing control rights or using associative relationships to harm the legitimate rights and interests of the Company or other shareholders;
- (II) Strictly fulfill public statements and commitments made; shall not arbitrarily alter or waive them;
- (III) Strictly perform information disclosure obligations in accordance with relevant provisions, actively cooperate with the Company in information disclosure work, and promptly notify the Company of significant events that have occurred or are intended to occur;

- (IV) Shall not occupy the Company's funds in any manner;
- (V) Shall not coerce, direct, or demand the Company and its relevant personnel to provide guarantees illegally or irregularly;
- (VI) Shall not use the Company's undisclosed material information for personal gain; shall not disclose undisclosed material information relating to the Company in any manner; shall not engage in illegal or non-compliant activities such as insider trading, short-swing trading, or market manipulation;
- (VII) Shall not harm the legitimate rights and interests of the Company and other shareholders through non-arm's length related-party transactions, profit distributions, asset restructurings, external investments, or any other means;
- (VIII) Ensure the Company's asset integrity, personnel independence, financial independence, organizational independence, and business independence; shall not affect the Company's independence in any manner;
- (IX) Other provisions stipulated by laws, administrative regulations, provisions of the China Securities Regulatory Commission, stock exchange business rules, or the Articles of Association.

If the Company's controlling shareholders or actual controllers do not serve as directors of the Company but actually perform the Company's affairs, the provisions of the Articles of Association regarding directors' fiduciary duty and duty of diligence shall apply.

If the Company's controlling shareholders or actual controllers instruct directors or senior executives to engage in acts that harm the interests of the Company or shareholders, they shall bear joint and several liabilities with such directors or senior executives.

#### Article 39

When a controlling shareholder or actual controller pledges the Company's shares held or controlled by them, they shall maintain the Company's control rights and the stability of its production and operations. A shareholder holding 5% or more of the Company's voting shares shall submit a written report to the Company on the day such share pledge occurs.

#### Article 40

When transferring their shares in the Company, controlling shareholders and actual controllers shall comply with the restrictive provisions on share transfer stipulated in laws, administrative regulations, the requirements of the China Securities Regulatory Commission, and the stock exchanges, as well as any commitments they have made regarding share transfer restrictions.

## **Section 2 General Regulations of the General Meeting**

#### Article 41

The General Meeting comprises all shareholders and the General Meeting is organ of power of the Company, and exercises the following functions and powers according to laws:

- (I) To elect and replace the directors who are not worker representatives and decide those matters concerning the remuneration of directors;
- (II) To examine and approve the report of the Board of Directors;
- (III) To examine and approve the Company's plans for profit distribution and making up losses;
- (IV) To make resolutions concerning the increase or reduction of the Company's registered capital;
- (V) Make resolutions on the issuance of corporate bonds;
- (VI) To make resolutions on matters such as the merger, division, dissolution, liquidation or change of corporate form of the Company;
- (VII) To pass resolutions on the employment, dismissal of accounting firms undertaking the Company's audit services by the Company;
- (VIII) To examine and approve the guarantee items specified in Article 42;
- (IX) To amend the Articles of Association of the Company;
- (X) To examine and approve matters of material assets purchased and sold within one year which exceeds the total assets of the Company by 30% upon the latest auditing;
- (XI) To examine and approve proposals for changing the purpose of the raised funds;
- (XII) To examine and approve the stock right incentive plan and employee stock ownership plan; and
- (XIII) To approve other matters that laws, administrative regulations and the Articles of Association require to be resolved by the General Meeting.

The General Meeting may authorize the Board of Directors to adopt resolutions on the issuance of corporate bonds.

#### Article 42

The following guarantees of the Company shall be examined and approved by the General Meeting:

- (I) Any guarantee provided after the total external guarantee of the Company and its holding subsidiaries exceeds 30% of the latest audited total assets.
- (II) Any guarantee provided after the total guarantee amount of the Company and its holding companies exceeds 50% of the latest audited net assets;
- (III) Any guarantee that exceeds 30% of the latest audited total assets of the Company, according to the amount of guarantees provided by the Company to others within one year;
- (IV) Any guarantee provided for the guaranteed party whose asset-liability ratio exceeds 70%;
- (V) Any guarantee, in which the amount of a single guarantee exceeds 10% of the latest audited net assets;

(VI) Any guarantee provided for a shareholder, actual controller and the relevant associated party;

The above-mentioned external guarantee that should be approved by the General Meeting must be reviewed and approved by the board of directors before it can be submitted to the General Meeting for approval. The guarantee matters within the authority of the board of directors shall be reviewed and approved by more than half of all directors, and by more than two thirds of the directors present at the board meeting; When the general meeting of shareholders considers the guarantee in Item (III) of the preceding paragraph, it shall be approved by more than two thirds of the voting rights held by the shareholders present at the meeting.

#### Article 43

The General Meeting shall include Annual General Meeting and Extraordinary General Meeting. The Annual General Meeting shall be convened once a year and shall be held within six months following the preceding fiscal year.

In any of the following circumstances, the Company shall convene an extraordinary general meeting of shareholders within two months from the date of the fact:

(I) When the number of directors is less than the number stipulated in the *Company Law* or less than two thirds of the number stipulated in the Articles of Association;

(II) The un-recovered losses of the Company reach one third of the total paid-up capital stock;

(III) The Shareholders individually or jointly holding more than 10% shares of the Company request;

(IV) Whenever the Board of Directors deems necessary; and

(V) The Audit Committee proposes to convene;

(VI) Other circumstances specified by laws, administrative regulations, departmental rules or the Articles of Association.

#### Article 44

The place of the Company to hold the General Meeting is the location of the Company or other places specified in the meeting notice sent by the convener of the General Meeting.

The General Meeting shall arrange the meeting hall and shall be held in the form of live meeting. The Company shall also provide convenience for shareholders to take part in the General Meeting through network or other methods. The shareholders who attend the General Meeting through the above methods are deemed as being present at the meeting.

#### Article 45

The Company shall engage lawyers to give legal opinions on the following matters and make an announcement when holding the General Meeting:

(I) Whether the convening and holding procedures of the meeting accord with laws, administrative regulations and the Articles of Association;

- (II) Whether the qualification of those present at the meeting and the convener is legal and valid;
- (III) Whether the voting procedures and voting results of the meeting are legal and valid; and
- (IV) Legal opinions given to other relevant matters as required by the Company.

### Section 3 Convening of General Meetings

#### Article 46

The Board of Directors shall convene the General Meeting on time within the prescribed period.

Upon approval by more than half of all independent directors, the independent director has the right to give proposal to the Board of Directors to hold the Extraordinary General Meeting. For such proposal made by the independent director, the Board of Directors, according to laws, administrative regulations and the Articles of Association, shall give written feedback to agree or disagree to hold the Extraordinary General Meeting within 10 days after receiving the proposal.

Provided the Board of Directors agrees to hold the Extraordinary General Meeting, a notice shall be given within 5 days after the Board of Directors makes such a resolution; if the Board of Directors disagrees to hold the Extraordinary General Meeting, reasons shall be explained and announced.

#### Article 47

The Audit Committee has the right to give proposal to the Board of Directors to hold the Extraordinary General Meeting in writing. The Board of Directors, according to laws, administrative regulations and the Articles of Association, shall give written feedback to agree or disagree to hold the Extraordinary General Meeting within 10 days after receiving the proposal.

If the Board of Directors agrees to hold the Extraordinary General Meeting, a notice shall be given within 5 days after the Board of Directors makes such a resolution. Changes to the original proposal in the notice shall be approved by the Audit Committee.

If the Board of Directors disagrees to hold the Extraordinary General Meeting or fails to give feedback within 10 days after receiving the proposal, it shall be deemed that the Board of Directors cannot or does not fulfill the obligation to convene the General Meeting and the Audit Committee shall convene and preside over the meeting by itself.

#### Article 48

The shareholders individually or jointly holding over 10% of the Company's shares have the right to request the Board of Directors to hold the Extraordinary General Meeting in writing. According to laws, administrative regulations and the Articles of Association, the

Board of Directors shall give written feedback to agree or disagree to hold the Extraordinary General Meeting within 10 days after receiving the proposal.

If the Board of Directors agrees to hold the Extraordinary General Meeting, a notice shall be given within 5 days after the Board of Directors makes such a resolution. Changes to the original proposal in the notice shall be approved by relevant shareholders.

If the Board of Directors disagrees to hold the Extraordinary General Meeting or fails to give feedback within 10 days after receiving the request, the shareholders individually or jointly holding over 10% of the Company's shares have the right to request the Audit Committee to hold the Extraordinary General Meeting in writing.

If the Audit Committee agrees to hold the Extraordinary General Meeting, a notice shall be given within 5 days after receiving the request. Changes to the original proposal in the notice shall be approved by relevant shareholders.

If the Audit Committee fails to give the notice of the Extraordinary General Meeting within the specified period, it shall be deemed that the Audit Committee does not convene or preside over the General Meeting. Exceeding 90 continuous days, the shareholders individually or jointly holding over 10% of the Company's shares may hold the Extraordinary General Meeting by themselves.

#### Article 49

If the Audit Committee or shareholders hold the General Meeting by themselves, the Board of Directors shall be noticed in writing and records should be filed with the stock exchanges.

Before announcement of the resolution of the General Meeting, the shareholding proportion of the shareholders to convene a meeting shall not be less than 10%.

When the Audit Committee or the shareholders to convene a meeting send a notice of the General Meeting and an announcement of the resolution of the General Meeting, relevant proving materials shall be submitted to the stock exchanges.

#### Article 50

The Board of Directors and the secretary of the Board of Directors should provide assistance for the General Meeting convened by the Audit Committee or shareholders. The Board of Directors should provide the register of shareholders on the date of confirmation.

#### Article 51

Necessary expenses of the General Meeting held by the Audit Committee or shareholders by themselves shall be borne by the Company.

### Section 4 Proposals and notices of the general meeting of shareholders

#### Article 52

The content of proposals shall be within the authority scope of the General Meeting, which shall have definite subjects and specific resolution issues and accord with relevant regulations of the laws, administrative regulations and the Articles of Association.

#### Article 53

When the Company holds the General Meeting, the Board of Directors, the Audit Committee and the shareholders individually or jointly holding over 1% of the shares of the Company have the right to submit proposals to the Company.

Shareholders individually or jointly holding over 1% of the shares of the Company may put forward interim proposal and submit to the convener in writing 10 days before the Extraordinary General Meeting.

The convener shall send a supplementary notice of the General Meeting within 2 days after receiving the proposal and announce the content of the interim proposals and submitting it to the General Meeting for deliberation, except where the interim proposal violates the provisions of laws, administrative regulations, or the Company's Articles of Association, or is not within the scope of authority of the General Meeting.

Except for conditions specified in the preceding paragraph, the convener shall not alter the proposals listed in the notice or add new proposals after sending the notice and announcement of the General Meeting.

Proposals not listed in the notice of the General Meeting or in non-conformity with the Articles of Association shall not be voted with a resolution in the General Meeting.

#### Article 54

The convener will notify all shareholders by announcement 20 days before the annual General Meeting, and the extraordinary General Meeting will notify all shareholders by announcement 15 days before the meeting.

Where there are other provisions in laws, regulations, securities regulatory agencies or stock exchanges where the Company's shares are listed, those provisions shall prevail.

#### Article 55

The notice of a general meeting of shareholders shall include the following:

- (I) The date, location and duration of the meeting;
- (II) The subjects and proposals submitted for review at the meeting;
- (III) Explain in obvious words: All the common shareholders (including the preferred shareholders with restored voting right), holders of shares with special voting rights, and other shareholders are entitled to attend the General Meeting and are able to entrust agents in written to attend the meeting and vote, and the shareholder's agent does not have to be a Company's shareholders;
- (IV) Equity registration date of shareholders who have rights to attend the General Meeting;
- (V) Names and telephone numbers of standing contacts of the meeting;

(VI) Voting time and procedures on the Internet or by other means.

If the General Meeting is held on the Internet or by other means, it shall specify the voting time and voting procedures on the Internet or by other means in the notice of the General Meeting. The commencement of the voting of the General Meeting on the Internet or by other means shall not be earlier than 3:00 p.m. on the day before the on-site General Meeting, and it shall not be later than 9:30 a.m. on the day of the on-site General Meeting. The voting shall not be concluded earlier than 3:00 p.m. on the ending day of on-site General Meeting.

#### Article 56

When the General Meeting intends to discuss the voting matters of the directors, the detailed information of the candidates of directors shall be fully disclosed, at least including the following information:

- (I) Personal information such as educational background, work experience and part-time job;
- (II) Whether the candidates have associated relationship with the Company or the controlling shareholders and actual controllers or not;
- (III) Disclosure of shares of the Company held by them; and
- (IV) Whether the candidates are punished by CSRC and other relevant departments and disciplined by the stock exchange.

Besides electing directors through cumulative voting system, each candidate of the director shall be put forward through single proposal.

#### Article 57

The General Meeting shall not be postponed or canceled without any justifiable reasons once the notice of the meeting is served. The proposals listed in the notice of the General Meeting shall not be cancelled. Once the meeting is postponed or cancelled, the convener shall make an announcement and state reasons at least 2 working days before the originally determined date of the meeting.

Where there are other provisions in the regulatory rules of the place where the Company's shares are listed, those provisions shall prevail.

### Section 5 The convening of a general meeting of shareholders

#### Article 58

The Board of Directors and other conveners of the Company shall take necessary precautions to ensure normal order of the General Meeting. Precautions shall be taken to prevent behaviors that interfere with the General Meeting, stir up trouble and infringe legal rights and interests of shareholders, which shall be timely reported to relevant departments for investigation.

#### Article 59

All ordinary shareholders registered in date of record (including preferred shareholders whose voting rights have been restored), holders of shares with special voting rights, or their agents have the right to attend the General Meeting and exercise their voting rights in accordance with relevant laws, regulations and the Articles of Association.

Shareholders may either attend the General Meeting in person or entrust a proxy to attend the meeting and make decisions for them.

Shareholders who attend the Meeting in person shall show the stock account card, identification card, or other valid documents or certificates to show their identity; the proxy entrusted by shareholders to attend the meeting shall provide his identification card and the power of attorney of the shareholder.

The legal representative or proxy entrusted by the legal person shareholder may attend the meeting. When a legal representative attends the meeting, he shall present his identification card and an effective evidence of his qualification as a legal representative; when an entrusted proxy attends the meeting, he shall present his identification card and the power of attorney in writing issued to him by the legal representative of a legal person shareholder.

#### Article 60

A power of attorney issued by a shareholder to entrust another person as proxy to attend a meeting shall contain the following contents:

- (I) Name/title of the principal and the type and quantity of the Company's shares held;
- (II) Agent name/title;
- (III) Specific instructions of the shareholder, including instruction to the proxy on every item to be discussed at the meeting, whether to approve, oppose or abstain;
- (IV) The issuing date and validation period of the power of attorney; and
- (V) The signature of the entrusting party (or his seal). If the entrusting party is a legal person shareholder, then the unit's seal shall be affixed.

#### Article 61

As for the power of attorney of voting by the agent signed by others authorized by the principal, the authorized and signed power of attorney or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents shall be kept in the Company's residence or other places specified in the notice of convening the meeting at the same time as the voting proxy power of attorney before the relevant meeting is held or within the time specified by the Company.

If the entrusting party is a legal person, its legal representative or the person authorized by a resolution of the Board of Directors or other decision-making body shall be entitled to attend the Company's General Meetings as the representative of such legal person.

Where the shareholder is a recognized clearing house (or its proxy) within the meaning of the Securities and Futures Ordinance of Hong Kong, the shareholder may authorise a representative of the Company or one or more persons as it thinks fit to act as its

representative(s) at any shareholders' general meeting or creditors' meeting provided that the proxy(ies) shall have the same statutory rights as other shareholders, including the right to speak and vote; however, if more than one person is so authorised, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorised. The persons so authorised may exercise the rights on behalf of the recognized clearing house (or its agent) as if they were the individual shareholders of the Company.

#### Article 62

A meeting registration book of attendees shall be prepared by the Company. It shall contain such information as the name (or unit name) of the attendee, the number of the identification card, address, the number of shares held or voting shares represented, the name of the entrusting party (or unit name), etc.

#### Article 63

The convener and the lawyer engaged by the Company shall jointly verify the validity of the Shareholders' qualification according to the register of shareholders provided by the Securities Depository and Clearing Institutions and register the name (or title) of shareholders and the voting shares held by them. The meeting registration shall be stopped before the meeting presider declares the number of shareholders and proxies present at the live meeting and the total voting shares.

#### Article 64

If the General Meeting requires directors or senior executives to attend without voting rights, such directors or senior executives shall attend and accept inquiries from shareholders.

#### Article 65

If the General Meeting is convened by the Board of Directors, the chairman shall preside over the meeting as the presider. If the chairman cannot fulfill or doesn't fulfill his duties, the deputy chairman shall serve as the presider and preside over the meeting. If the deputy chairman cannot fulfill or doesn't fulfill his duties, the meeting shall be presided over by one director collectively elected by more than half of the directors. If no presider is elected, the shareholders present at the meeting may elect one person as the presider. If the shareholders fail to elect a presider due to any reason, the shareholder (including the shareholder's proxy) present at the meeting with the most voting shares shall be the presider of the meeting.

The General Meeting convened by the Audit Committee shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee cannot fulfill or doesn't fulfill his duties, the meeting shall be presided over by one committee elected by over half of the member of the Audit Committee.

The General Meeting convened by shareholders themselves shall be presided over by the representative elected by conveners.

During the General Meeting, if the meeting cannot be continued due to violation of the rules of procedure by the meeting presider, upon consent of over half of the present shareholders with voting power, one person can be elected as the presider by the General Meeting to continue the meeting.

#### Article 66

The Company shall prepare the rules of procedure of the General Meeting to stipulate the convening and voting procedure in detail including notice, registration, examination of proposals, voting, vote counting, declaration of voting results, determination of meeting resolutions, meeting minutes and subscription, announcement, etc., as well as the authorization principle of the General Meeting to the Board of Directors. The authorization should be specific in content. The rules of procedure of the General Meeting shall be taken as the annex of the Articles of Association, drawn up by the Board of Directors and approved by the General Meeting.

#### Article 67

At an annual session of the General Meeting, the Board of Directors shall report their work of the previous year respectively to the General Meeting. Each independent director shall also make a report on his/her work, and the annual report on his/her work shall be disclosed at the latest when the Company issues the notice of the annual general meeting of shareholders.

#### Article 68

Directors and senior management personnel shall explain and account for shareholders' inquiries and suggestions in the General Meeting.

#### Article 69

The meeting presider shall declare the number of present shareholders and proxies and the total voting shares held by them. All such shares shall be in conformity with the number in the meeting registration.

#### Article 70

The secretary of the Board of Directors shall be in charge of the minutes of the General Meeting, including the following contents:

- (I) The time, location, agenda, name or title of the convener of the meeting;
- (II) Name of the meeting presider and directors, President and other senior management personnel present at the meeting or attending the meeting;
- (III) The number of shareholders and proxies present at the meeting, total voting shares held by them and the proportion of the total shares of the Company;

- (IV) The examination procedure, key points of the speech and voting result of each proposal;
- (V) Inquiries or suggestions of the shareholders and corresponding answers or explanations;
- (VI) Name of the lawyer, vote counter and counting witness;
- (VII) The number of voting shares held by shareholders of domestic shares (including shareholder proxies) present at the meeting, and their respective proportions of the total shares of the Company;
- (VIII) When recording the voting results, the voting results of each resolution by shareholders;
- (IX) Other content that should be recorded into the meeting minutes specified by the Articles of Association.

#### Article 71

The convener shall ensure the truth, accuracy and integrity of the meeting minutes. The present directors, the secretary of the Board of Directors, convener or the representative and the meeting presider shall sign on the meeting minutes which shall be kept together with the signing book of shareholders present at the live meeting and the power of attorney for proxy, effective materials of the voting by network or other methods for a term of at least 10 years.

#### Article 72

The convener shall ensure the General Meeting to be held continuously until the final resolution is made. If the General Meeting is stopped or fails to make resolutions due to special reasons such as force majeure, necessary precautions shall be taken to resume the General Meeting as soon as possible or directly terminate the General Meeting with a timely announcement. Meanwhile, the convener shall submit a report to the resident agency of the CSRC in the location of the Company and the stock exchanges where the shares of the Company are listed.

### Section 6 Voting and Resolution of General Meeting

#### Article 73

Resolutions of the General Meeting include ordinary resolutions and special resolutions. Ordinary resolutions of the General Meeting shall be passed by more than half of the voting rights held by the shareholders (including proxies) present at the meeting. Special resolutions of the General Meeting shall be passed by more than two thirds of the voting rights held by the shareholders (including proxies) present at the meeting.

#### Article 74

The voting system shall be adopted when the shareholders take a vote.

When shareholders (including proxies) vote at the General Meeting, they shall exercise their voting rights according to the number of voting rights that they represent. Except for the cumulative voting system, each share shall carry one voting right.

In accordance with the Listing Rules, the shareholders shall abandon the rights to vote regarding to any individual resolutions or be limited to vote for or against any individual resolutions; and any vote violating the above regulations or the limited votes or votes representing relevant shareholders shall not be counted.

The shares held by the Company shall not enjoy the voting power and such shares shall not be included in the total voting shares present at the General Meeting.

If the shareholders violates Clause 1 and Clause 2 of Article 63 of the *Securities Law* to buy the shares of the Company with the voting power, the shares exceeding the stipulated proportional part shall not exercise the voting power within 36 months after being bought and shall not be included in the total shares with the voting power attending the General Meeting.

The Board of Directors, independent directors, the shareholders holding over 1% of shares with the voting power or the investor protection agency established according to the laws, administrative regulations or the provisions of China Securities Regulatory Commission may solicit the shareholders' voting power in public. During the solicitation of the voting power of the shareholders, adequate information including the specific voting intension shall be fully disclosed to the persons whose voting power is solicited. It is forbidden to solicit shareholder's voting power with payment or payment in a disguised manner. Except for legal conditions, the Company shall not propose a minimum shareholding limit for the solicitation of voting power.

In the event that significant matters in which retail investors have vested interest are being considered in the General Meeting, votes of retail investors shall be counted separately, and the poll results of such shall be disclosed to the public.

#### Article 75

When the General Meeting reviews the items of relevant related transactions, the related shareholders shall not participate in the voting, and their shares with voting rights shall not be included in the total number of voting; the announcement of the resolutions of the General Meeting shall fully disclose the voting situation of the non-related shareholders.

#### Article 76

The Company shall, on the premise of ensuring the validity and effectiveness of General Meeting, provide convenience for shareholders to attend the meeting through various methods and ways, including modern information technology such as network voting platform.

#### Article 77

Except special conditions like the Company is in crisis, without the approving of the general meeting through special resolution, the Company shall not make contracts with persons outside director, manager and other senior executives to entrust the management of the whole or important business.

#### Article 78

The candidates' name list of directors shall be submitted to the General Meeting in proposal for voting.

When the General Meeting takes a vote to elect directors, the cumulative voting system shall be adopted according the Articles of Association or the resolutions of the General Meeting; Cumulative voting shall be implemented when the General Meeting elects two or more independent directors.

For the purpose of the above paragraph, the term "cumulative voting system" means that when the General Meeting elects a director, each share shall have the voting power equal to the number of the director' s candidates. Shareholders may use their voting power cumulatively. The Board of Directors shall make an announcement about the resume and basic information of the candidates of the director to the shareholders.

#### Article 79

Except for the cumulative voting system, the General Meeting shall vote on all proposals one by one. Different proposals for the same issue shall be voted on according to the time order of proposals. The General Meeting shall not postpone or stop to vote on proposals except that the General Meeting is stopped or cannot make resolutions due to special reasons such as force majeure.

#### Article 80

The General Meeting shall not make any change when examining proposals. Otherwise, relevant changes shall be deemed as a new proposal which cannot be voted on in this General Meeting.

#### Article 81

The same voting power can only be exercised through one way of live meeting, network or other voting methods. If the same voting power repeats in voting, the first voting result shall prevail.

#### Article 82

Votes in the General Meeting shall be cast by open ballot.

#### Article83

Before voting on proposals in the General Meeting, two shareholder representatives shall be elected to take part in vote counting and counting witnessing. The shareholders and

proxies shall not take part in vote counting and counting witnessing if there is an interest between examined issues and shareholders.

The lawyer, shareholder representative shall jointly be in charge of vote counting and counting witnessing when voting on proposals in the General Meeting and the voting results shall be announced in the meeting and recorded into the meeting minutes.

The shareholders or their proxies of the listed companies who vote through network or other methods have the right to check their voting results through corresponding voting system.

#### Article 84

When a ballot is held, the shareholders (including proxies) having the right to two or more votes need not use all of their voting rights in the same way.

#### Article 85

The closing time of the live General Meeting shall not be prior to the network or other methods. The meeting presider shall announce the voting situation, the result of each proposal and whether the proposal is passed according to the voting result.

#### Article 86

Before announcing the voting result, relevant parties involved in the scene of the General Meeting, network or other voting methods such as companies, vote counters, counting witnesses, shareholders and network service parties shall bear the obligation of confidentiality for the voting situation.

#### Article 87

Shareholders present at the General Meeting shall address one of the following opinions on proposals submitted for voting: consent, objection or abstention, with the exception in which a securities registration and clearing institution declares opinions on proposals as the nominal holder of the stocks traded in the connectivity mechanism of the mainland and Hong Kong stock markets according to the intention of the actual holder.

Blank, wrong, illegible votes and unexercised votes shall be deemed that the voter gives up the voting power and the voting result of the shares held by him shall be counted as “abstention”.

#### Article 88

The resolutions of the General Meeting shall be timely announced and the announcement shall include the number of shareholders and proxies present at the meeting, total voting shares held by them and the proportion of the total voting shares of the Company, voting methods, voting result of each proposal and detailed content of each adopted resolution.

#### Article 89

Proposals not adopted or resolutions of the former General Meeting changed in this General Meeting shall be specially pointed out in the resolution of the General Meeting.

#### Article 90

If proposals on the election of directors are adopted in the General Meeting, the time for new directors to take office shall be counted from the closing date of the General Meeting.

#### Article 91

The Company shall take specific plans to carry out proposals on share capital increase through cash granting, share granting or reserve fund adopted in the General Meeting within 2 months after the closing date of the General Meeting.

#### Article 92

The followed issues shall be approved through ordinary resolution by the General Meeting:

- (I) Work reports of the Board of Directors;
- (II) Plans for the distribution of profits and making up of losses drafted by the Board of Directors;
- (III) Removal of the Board of Directors, their remuneration and methods of payment of their remuneration;
- (IV) Matters other than those required to be passed by way of a special resolution in accordance with laws, administrative regulations or the Articles of Association.

#### Article 93

The followed issues shall be approved through special resolution by the General Meeting:

- (I) Increase or decrease of the Company's registered capital;
- (II) Demerger, division, merger, dissolution and liquidation of the Company;
- (III) Amendment of the Articles of Association of the Company;
- (IV) Matters related to material assets purchased and sold or guarantees within one year with an amount exceeding the total assets of the Company by 30% upon the latest auditing;
- (V) Stock right incentive plans; and
- (VI) Other matters that, as resolved by way of an ordinary resolution of the General Meeting, may have a significant impact on the Company and require adoption by way of a special resolution according to laws, administrative regulations or the Articles of Association.

#### Article 94

If the moderator of the meeting has any doubts about the result of a resolution put to the vote, he may count the number of the votes. If the moderator of the meeting fails to count the votes, a shareholder or proxy attending the meeting who challenges the result

announced by the moderator of the meeting shall have the right to request counting of votes immediately after such announcement. In this case, the presider of the meeting shall immediately count the votes.

#### Article 95

If counting of votes is held at a General Meeting, the result of the counting shall be recorded in the minutes of the meeting.

#### Article 96

The shareholders may examine copies of the minutes of meetings during the Company's office hours free of charge.

## **Chapter 7 Board of Directors**

#### Article 97

The Company shall establish a Board of Directors. The Board of Directors shall be composed of nine directors, who shall include three independent non-executive directors (refer to the directors not taking the internal positions of the Company and independent from the shareholders of the Company). The Board of Directors shall have one chairman and one or two deputy chairmen as required.

When the external directors perform their responsibilities, the Company shall provide them with necessary information materials.

The Board of Directors of the Company shall be independent from the controlling shareholders.

#### Article 98

The Directors of the Company shall be natural persons. Any of the following persons shall not serve as a Director:

(I) Those who have no capacity for civil conduct or have limited capacity for civil conduct;

(II) Being sentenced to punishment for corruption, bribery, embezzlement of property, misappropriation of property or disrupting the order of the socialist market economy order, or having been deprived of political rights due to a crime, and has not exceeded five years of execution, or two years have not elapsed since the expiration of the probation period if probation was declared;

(III) Where a director, factory director or manager of a company or enterprise that has been in bankruptcy liquidation is personally responsible for the bankruptcy of the company or enterprise, it has not been more than three years since the date of completion of bankruptcy liquidation of the company or enterprise;

(IV) Being the legal representative of a company or enterprise whose business license has been revoked due to violation of law and ordered to close down, and having personal

responsibility, it has not been more than three years since the date when the business license of the company or enterprise was revoked or have not elapsed since the date of closure ;

(V) Being listed by a People's Court as a discredited person subject to enforcement due to failure to repay a relatively large amount of personal debt that is due;

(VI) Those who are under the period of measure made by CSRC to forbid to entry into the securities market;

(VII) Being publicly recognized by a stock exchange as unsuitable to serve as a director or senior executive of a listed company, and the specified period of unsuitability has not expired;

(VIII) Other contents specified by the laws, administrative regulations or departmental regulations.

Where the Company elects or appoints any Director in contrary to the provisions of this Article, such elections or appointments are null. Where a director suffers from circumstances in this article during term of office, the Company may relieve its post and terminate their duties.

#### Article 99

Directors shall be elected or replaced by the General Meeting and may be removed by the General Meeting before the expiration of their term. The term of a director shall be three years. A director may serve consecutive terms if reelected upon the expiration of his term. The term of office of directors shall be computed from the date of formal appointment to the expiration of the term of office of the Board of Directors. In the case of failure to timely re-elect directors at the expiration of the term of office of directors, the incumbent directors shall continue performing their duties until the new directors assume office according to laws, administrative regulations, department rules and the Articles of Association.

Directors may be taken by President or other senior management personnel. But directors who hold concurrent posts of President or other senior management personnel and directors taken by worker representatives shall not exceed 1/2 of the total directors of the Company.

Any person appointed by the Board of Directors to fill a casual vacancy or as an addition to the directors shall hold office only until the first annual general meeting of the Company after his/her appointment, which shall then be eligible for re-election.

#### Article 100

Directors shall follow the laws, administrative regulations and the Articles of Association and bear following faithful obligations to the Company:

(I) Directors are not allowed to abuse their authorities to accept bribes or other illegal income, and may not encroach on the Company's property;

(II) Directors are not allowed to misappropriate the property of the Company;

(III) Directors are not allowed to deposit the assets of the Company into an account in

their own names or in any other individual's name.

(IV) Unless reported to the Board of Directors or the General Meeting and resolved upon in accordance with the Articles of Association, directors shall not directly or indirectly enter into contracts or conduct transactions with the Company;

(V) Directors shall not use their position to seek for themselves or others commercial opportunities that belong to the Company, except where reported to the Board of Directors or the General Meeting and resolved upon by the General Meeting, or where the Company, according to law, administrative regulations, or the Articles of Association, cannot utilize such opportunities;

(VI) Directors shall not operate, either for themselves or for others, a business competing with the Company without reporting to the Board of Directors or the General Meeting and obtaining a resolution from the General Meeting;

(VII) Directors are not allowed to possess the commission obtained from the transaction between others and the Company;

(VIII) Directors are not allowed to disclose confidential information of the Company;

(IX) Directors shall not make use of the associated relationship to damage the interest of the Company; and

(X) Other faithful obligations specified by the laws, administrative regulations, department rules and the Articles of Association.

Any income of directors by violating this article shall belong to the Company; if losses are caused to the Company, such directors shall bear the liability for compensation.

The provisions of Item (4) of Paragraph 2 of this Article shall apply when the following parties enter into contracts or conduct transactions with the Company: close relatives of directors or senior executives; enterprises directly or indirectly controlled by directors, senior executives, or their close relatives; and other related parties having an associative relationship with directors or senior executives.

#### Article 101

Directors shall follow laws, administrative regulations and the Articles of Association. Directors shall bear the following duty of diligence to the Company. When performing their duties, they shall exercise the reasonable care typically expected of managers for the best interests of the Company.

Directors shall bear the following assiduous obligations to the Company:

(I) Directors shall exercise their rights restrainedly, carefully and assiduously to ensure that the commercial activities of the Company are in accordance with laws, administrative regulations and the requirements of various national economic policies and do not exceed the Company's scope of business as regulated by the business license;

(II) Directors shall treat all shareholders equally;

(III) Directors shall timely know the business operation and management condition of the Company;

(IV) Directors shall subscribe on the periodic report with written confirmation opinions to ensure the truth, accuracy and integrity of the information disclosed by the Company;

(V) Directors shall submit relevant conditions and materials to the Audit Committee according to the facts and shall not interfere the Audit Committee to exercise authorities; and

(VI) Other assiduous obligations specified by laws, administrative regulations, department rules and the Articles of Association.

#### Article 102

If a director fails to attend in person twice in succession, and hasn't authorized other director to attend the meeting, such director shall be regarded as failure to fulfill his obligations, and the Board of Directors shall suggest the General Meeting for dismissal and replacement.

#### Article 103

Directors may resign before expiration of the term of office. The directors who ask for resignation shall submit a written resignation report to the Board of Directors which shall disclose relevant conditions within 2 trading days.

If the resignation of directors leads to the number of the Board of Directors below the minimum quorum, before the accession of the re-elected director, the original directors shall fulfill their obligations according to laws, administrative regulations, department rules and the Articles of Association.

Except for the preceding paragraph, the resignation of directors shall take effect after the resignation report is submitted to the Board of Directors.

#### Article 104

The Company shall establish a director post-resignation management system, clarifying safeguard measures for pursuing liability and compensation concerning unfulfilled public commitments and other outstanding matters. If the resignation of a director takes effect or the term of office expires, such director shall complete all turnover procedures with the Board of Directors and his faithful obligations to the Company and the shareholders shall not be released after the term of office expires, which shall still be effective within the reasonable duration specified by the Articles of Association. Liability borne by a director during their term of office for performing their duties shall not be exempted or terminated upon resignation.

After the director leaves his post, he shall keep the commercial secrets of the Company until they are public. Except for the above-mentioned obligation of confidentiality, the director shall perform other faithful obligations to the Company in Article 134 of this Articles of Association after the resignation for two years.

#### Article 105

The General Meeting may resolve to dismiss a director. The dismissal shall take effect on the date when the resolution is adopted.

If the director is dismissed before the expiration of their term without justifiable reason, the director may demand compensation from the Company.

#### Article 106

Unless specified in the Articles of Association or legal authorization by the Board of Directors, any director shall not take an action in his own name on behalf of the Company or the Board of Directors. The director shall state his position and identity when taking an action in his own name, provided the third party may consider it reasonable when such director takes an action on behalf of the Company or the Board of Directors.

#### Article 107

If the directors, while performing their duties for the Company, cause damage to others, the Company shall bear the liability for compensation. If the directors acted intentionally or with gross negligence, they shall also bear liability for compensation.

Directors shall bear the liability for compensation if losses are caused to the Company due to violation of the laws, administrative regulations, department rules and the Articles of Association during the implementation of duties.

#### Article 108

Independent directors shall take actions in accordance with laws, administrative regulations and department rules.

#### Article 109

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

- (I) Convening General Meeting and to report on its work to the General Meeting;
- (II) To implement the resolutions of the General Meeting;
- (III) To decide on the business plans and investment plans of the Company;
- ;
- (IV) To formulate the plans for profit distribution and making up losses of the Company;
- (V) Formulate plans for the Company to increase or decrease its registered capital, issue bonds, issue corporate bonds or other securities and listing plans;
- (VI) To formulate the plans for the material acquisition and acquisition of shares of the Company, or for the merger, division, dissolution and changing corporate form of the Company;
- (VII) To decide upon external investment, purchase and sale of assets, assets mortgage, external guaranty issues, entrustment of financing, associated transaction, donation and other matters within the scope set forth by the General Meeting;
- (VIII) To decide on the establishment of the Company's internal management organization;
- (IX) Decide on the appointment or dismissal of the Company's president and secretary of the board of directors, decide on the appointment or dismissal of senior management personnel such as the Company's vice president and chief financial officer according to the

nomination of the president, and decide on their remuneration and rewards and punishments;

(X) To formulate the basic management system of the Company;

(XI) To formulate proposals for amendment of the Articles of Association;

(XII) To manage the disclosure of information of the Company;

(XIII) To submit to the General Meeting a recommendation regarding the engagement or change of the accounting firm;

(XIV) To listen to and evaluate the work reports prepared by the President and to examine the work of the President;

(XV) Other rights specified by laws, administrative regulations, department rules or the Articles of Association.

Resolutions by the Board of Directors on matters referred to in the preceding paragraph may be passed by the affirmative vote of more than half of the directors with the exception of resolutions on matters referred to in Items (V), (VI) and (XI), which shall require the affirmative vote of more than two thirds of all the directors.

#### Article 110

The Board of Directors shall explain the non-standard auditing opinions on the financial reports of the Company issued by a CPA to the General Meeting.

#### Article 111

The Board of Directors should prepare the rules of procedure to ensure the fulfillment of the General Meeting's resolutions, increase working efficiency and ensure making scientific decisions.

#### Article 112

The Board of Directors shall define the limit of the authorities of external investment, purchase and sale of assets, assets mortgage, external guaranty issues, entrustment of financing, associated transaction, donation and other matters, and establish strict examination and decision-making procedures. The significant investment projects shall be examined and appraised by relevant experts and professionals and submitted to the General Meeting for approval.

#### Article 113

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

(I) To preside over the General Meeting and to convene and preside over meetings of the Board of Directors;

(II) To supervise, urge and examine the implementation of resolutions of the Board of Directors;

(III) Other functions and powers granted by the Board of Directors.

The deputy chairman of the Board of Directors shall assist the chairman's work. Provided

the chairman can't perform his duties, the deputy chairman shall perform the duties in place of the chairman. Provided the deputy chairman can't perform or fails to perform his duties, one director jointly elected by over half of the directors shall perform the duties.

#### Article 114

Meetings of the Board of Directors shall be held at least fourth a year, which shall be convened by the chairman of the Board of Directors by giving a notice to all directors fourteen days before the meetings are held. The Interim Board Meeting shall be informed to all directors within a reasonable period. The independent directors can report the situations directly to the General Meeting, CSRC and other relevant authorities.

#### Article 115

Shareholders representing more than one tenth of the voting rights, more than one third of the directors or the Audit Committee may propose to convene an interim meeting of the board of directors. The chairman shall convene and preside over the meeting of the board of directors within ten days after receiving the proposal.

#### Article 116

Notices of the Board Meeting and Interim Board Meeting shall be delivered in person, by telephone, fax, express mail service, registered mail, email or other forms of electronic communication.

#### Article 117

The notice of the Board Meeting shall contain the following content:

- (I) The date and place of the meeting;
- (II) The duration of the meeting;
- (III) The reason for the meeting and the issues to be discussed; and
- (IV) The date of notice of the meeting.

#### Article 118

If the directors have attended the meeting and haven't raised an objection to the failure of receiving the meeting notice before attending the meeting or the beginning of the meeting, it shall be deemed that the meeting notice has been sent to the directors.

#### Article 119

As a general rule, the live meeting of the board of directors shall be held. When necessary, the meeting may be held by video, telephone, fax, email or other methods upon consent of the convener (presider) and the proponents on the premise that the directors can fully express their opinions. The Board Meeting can also be held live in combination with other means. All the directors present at the meeting shall be deemed as having attended the meeting personally.

#### Article 120

The Board Meeting can be held only when the present directors (including the entrusted directors present at the meeting in accordance with Article 155 of the Articles of Association) are more than a half.

Each director shall be entitled to one vote. Resolutions of the Board of Directors must be adopted by the affirmative vote of more than half of all the directors unless otherwise specified in the Articles of Association. The resolutions made by the Board of Directors regarding the related transactions shall take effect after being signed by the independent (non-executive) directors.

If directors have associated relationship with enterprises involved in issues to be determined in the Board Meeting, such directors shall not exercise the voting power on the resolution or exercise the voting power on behalf of other directors. The Board Meeting may be held with over one-half directors without associated relationship, and the resolutions of the Board Meeting shall be adopted by over one-half directors without associated relationship. If the unassociated directors attending the Board Meeting are less than 3 people, the issues shall be submitted to the General Meeting for examination.

#### Article 121

The Board Meeting shall be attended by the directors in person. If a director can't attend a meeting for any reason, he may entrust in writing another director to attend the meeting on his behalf. The power of attorney shall include the name of proxy, proxy issues, authorization scope and period of validity and shall be signed and sealed by the entrusting party.

A director who attends a meeting on behalf of another director shall exercise the rights of a director within the scope of authority granted. If a director fails to attend a Board Meeting and has not appointed a representative to attend such meeting on his behalf, he shall be deemed to have waived his voting right in respect of that meeting.

#### Article 122

The Board of Directors shall keep minutes of its decisions on the matters examined at the meeting. The directors attending a meeting and the person taking minutes shall sign the minutes of that meeting. The opinions of the independent directors shall be specified in the resolutions of the Board of Directors. The directors shall bear liability for the resolutions of the Board of Directors. Provided a resolution of the Board of Directors is in violation of laws, administrative regulations or the Articles of Association, thereby causing serious losses to the Company, the directors who take part in the resolution shall be liable to the Company for damages. However, provided a director can prove that he has expressed his opposition to such resolution when it is put to the vote, and that such opposition has been recorded in minutes of the meeting, the director may be relieved from such liability. Those directors abstaining from voting or failing to attend the meeting and failing to entrust other

people to attend the meeting shall not be relieved from such liability. Those directors specifically raising an objection during the discussion but failing to vote against the proposal shall not be relieved from such liability.

If the independent directors vote against or abstain from voting on the proposal of the board of directors, they shall explain the specific reasons and basis, the legal compliance of the matters involved in the proposal, the possible risks and the impact on the rights and interests of the Company and minority shareholders. When the Company re-discloses the resolutions of the board of directors, it shall also disclose the dissenting opinions of independent directors, which shall be specified in the resolutions of the board of directors and the minutes of meetings.

The minutes of the Board Meeting shall be kept as file of the Company for a period of not less than 10 years.

#### Article 123

The minutes of the Board Meeting shall include the following content:

- (I) Time and location of the meeting as well as the convener;
- (II) Name of present directors and name of directors (proxies) entrusted by others to attend the meeting;
- (III) Agenda of the meeting;
- (IV) Key points of the speech of directors; and
- (V) Voting method and result of each issue to be discussed (voting result shall include votes to consent, object or abstain).

#### Article 124

Independent directors shall earnestly perform their duties in accordance with the provisions of laws, administrative regulations, the China Securities Regulatory Commission, stock exchanges and the Articles of Association, play roles in participating in decision-making, supervision and checks and balances, and professional consultation in the Board of Directors, safeguard the overall interests of the Company, and protect the legitimate rights and interests of minority shareholders.

#### Article 125

Independent directors must remain their independence. The following persons shall not serve as independent directors:

- (I) Persons working for the Company or its affiliated enterprises, and their spouses, parents, children, and their main social relationships;
- (II) Natural person shareholders who directly or indirectly hold more than 1% of the Company's issued shares or are among the top ten shareholders of the Company, and their spouses, parents, and children;
- (III) Persons working for shareholders who directly or indirectly hold more than 5% of the Company's issued shares or for shareholders among the top five shareholders of the

company, and their spouses, parents, and children;

(IV) Persons working for affiliated enterprises of the Company's controlling shareholder or actual controller, and their spouses, parents, and children;

(V) Persons who have significant business relationships with the Company and its controlling shareholder, actual controller, or their respective affiliated enterprises; or persons working for entities with which the Company has significant business relationships and for the controlling shareholders or actual controllers of such entities;

(VI) Persons providing financial, legal, consulting, underwriting, or other services to the Company and its controlling shareholder, actual controller, or their respective affiliated enterprises, including but not limited to all personnel of the project team of the intermediary institution providing the services, personnel at all levels of review, signatories to reports, partners, directors, senior executives, and principal responsible persons;

(VII) Persons who fell under any of the circumstances listed in Items (I) to (VI) above within the last twelve months;

(VIII) Other persons deemed to lack independence under laws, administrative regulations, provisions of the China Securities Regulatory Commission, stock exchange business rules, or the Articles of Association.

Independent directors shall conduct an annual self-assessment of their independence and submit the self-assessment report to the Board of Directors. The Board of Directors shall annually assess the independence of incumbent independent directors and issue a special assessment opinion, which shall be disclosed concurrently with the annual report.

#### Article 126

To serve as an independent director of the Company, one shall meet the following conditions:

(I) Possess the qualification to serve as a director of a listed company pursuant to laws, administrative regulations and other relevant provisions;

(II) Meet the independence requirements stipulated in the Articles of Association;

(III) Possess basic knowledge of the operation of listed companies and be familiar with relevant laws, regulations and rules;

(IV) Have more than five years of work experience in law, accounting, economics or other fields necessary for performing the duties of an independent director;

(V) Have good personal morality and no major bad records such as serious dishonesty;

(VI) Other conditions stipulated by laws, administrative regulations, provisions of the China Securities Regulatory Commission, stock exchange business rules, or the Articles of Association.

#### Article 127

As a member of the Board of Directors, an independent director has a fiduciary duty and a duty of diligence to the Company and all shareholders, and shall diligently perform the

following duties:

- (I) Participate in the decision-making of the Board of Directors and express clear opinions on the matters under discussion;
- (II) Supervise potential major conflicts of interest between the Company and its controlling shareholders, actual controllers, directors, and senior executives, and protect the legitimate rights and interests of minority shareholders;
- (III) Provide professional and objective suggestions for the Company's operation and development, and promote and improve the decision-making level of the Board of Directors;
- (IV) Other duties stipulated by laws, administrative regulations, provisions of the China Securities Regulatory Commission and the Articles of Association.

#### Article 128

Independent directors shall exercise the following special powers and functions:

- (I) Independently engage intermediaries to audit, consult on or verify specific matters of the Company;
- (II) Propose to the Board of Directors to convene an Extraordinary General Meeting;
- (III) Propose to convene a Board Meeting;
- (IV) Publicly solicit shareholders' rights from shareholders in accordance with the law;
- (V) Express independent opinions on matters that may harm the interests of the Company or minority shareholders;
- (VI) Other powers and functions stipulated by laws, administrative regulations, provisions of the China Securities Regulatory Commission and the Articles of Association.

If an independent director exercises the powers and functions listed in Items (I) to (III) of the preceding paragraph, such exercise shall be subject to the consent of more than half of all independent directors.

If an independent director exercises the powers and functions listed in the first paragraph, the Company shall make timely disclosure. If the aforesaid powers and functions cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

#### Article 129

The following matters shall, upon the consent of more than half of all the Company's independent directors, be submitted to the Board of Directors for deliberation:

- (I) Related transactions that shall be disclosed;
- (II) Plans for the Company and relevant parties to modify or waive commitments;
- (III) Decisions made and measures taken by the Board of Directors of the acquired company in response to the acquisition;
- (IV) Other matters stipulated by laws, administrative regulations, provisions of the China Securities Regulatory Commission and the Articles of Association.

#### Article 130

The Company shall establish a dedicated meeting mechanism composed exclusively of independent directors. For matters such as related party transactions reviewed by the Board of Directors, prior approval shall be obtained from the dedicated meeting of independent directors.

Dedicated meetings of independent directors shall be convened periodically or non-periodically by the Company. Matters listed in Items (I) to (III) of Paragraph 1 of Article 129 and Article 130 of the Articles of Association shall be reviewed by the dedicated meeting of independent directors.

The dedicated meeting of independent directors may research and discuss other company matters as needed.

The dedicated meeting of independent directors shall be convened and chaired by one independent director jointly nominated by more than half of the independent directors. If the convener fails or is unable to perform their duty, two or more independent directors may convene the meeting themselves and nominate a representative to chair it.

Meeting minutes shall be prepared for the dedicated meeting of independent directors as required. The opinions of the independent directors shall be recorded in the minutes. Independent directors shall sign the meeting minutes for confirmation.

The Company shall provide convenience and support for convening dedicated meetings of independent directors.

#### Article 131

The Company's Board of Directors shall establish the Audit Committee exercising the powers of the Board of Supervisors as stipulated in the Company Law.

#### Article 132

The Audit Committee shall consist of three members who are directors not serving as senior executives of the Company. Two of these members shall be independent directors. The convener shall be an accounting professional among the independent directors.

#### Article 133

The Audit Committee is responsible for examining and verifying the Company's financial information and its disclosure, supervising and evaluating internal and external audit work and internal controls. The following matters shall, upon the consent of more than half of all members of the Audit Committee, be submitted to the Board of Directors for deliberation:

- (I) Disclosure of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;
- (II) Appointment or dismissal of accounting firms undertaking audit services for the listed company;
- (III) Appointment or dismissal of the chief financial officer of the listed company;
- (IV) Changes in accounting policies, accounting estimates, or corrections of significant

accounting errors, except for changes due to accounting standard adjustments;

(V) Other matters stipulated by laws, administrative regulations, provisions of the China Securities Regulatory Commission and the Articles of Association.

#### Article 134

The Audit Committee shall meet at least once every quarter. Interim meetings may be convened upon the proposal of two or more members, or when the convener deems it necessary. An Audit Committee meeting requires the attendance of two-thirds or more of its members to be held.

Resolutions of the Audit Committee shall be passed by more than half of its members.

Each member of the Audit Committee shall have one vote for resolution voting.

Meeting minutes shall be prepared for the Audit Committee resolutions as required. The Audit Committee members attending the meeting shall sign the minutes.

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

#### Article 135

The Company's Board of Directors shall establish other special committees such as strategy, nomination, remuneration and appraisal, etc. These committees shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Proposals from special committees shall be submitted to the Board of Directors for deliberation and decision. The working procedures of the special committees shall be formulated by the Board of Directors.

#### Article 136

The Nomination Committee is responsible for formulating the selection criteria and procedures for directors and senior executives, screening and reviewing candidates for directors and senior executives and their qualifications, and making recommendations to the Board of Directors on the following matters:

(I) Nominating or appointing/removing directors;

(II) Employing or dismissing senior executives;

(III) Other matters stipulated by laws, administrative regulations, provisions of the China Securities Regulatory Commission and the Articles of Association.

If the Board of Directors does not adopt or only partially adopts a recommendation of the Nomination Committee, the Board resolution shall record the opinion of the Nomination Committee and the specific reasons for non-adoption, and disclose such information.

#### Article 137

The Remuneration and Appraisal Committee is responsible for formulating appraisal standards for directors and senior executives and conducting appraisals, formulating and reviewing remuneration policies and plans for directors and senior executives, including

but not limited to remuneration determination mechanisms, decision-making processes, payment and clawback arrangements, and making recommendations to the Board of Directors on the following matters:

- (I) Remuneration of directors and senior executives;
- (II) Formulating or modifying equity incentive plans or employee stock ownership plans, and the fulfillment of conditions for grantees to be granted rights or to exercise rights;
- (III) Arrangements for directors and senior executives to participate in shareholding plans in subsidiaries intended to be spun-off;
- (IV) Other matters stipulated by laws, administrative regulations, provisions of the China Securities Regulatory Commission and the Articles of Association.

If the Board of Directors does not adopt or only partially adopts a recommendation of the Remuneration and Appraisal Committee, the Board resolution shall record the opinion of the Remuneration and Appraisal Committee and the specific reasons for non-adoption, and disclose such information.

## **Chapter 8 Company President and Other Senior Management Personnel**

### Article 138

The Company shall have one President who shall be nominated by the chairman of the Board of Directors, appointed or dismissed by the Board of Directors.

The Company shall have several Vice President, one chief financial officer to assist the President. The Vice President, chief financial officer shall be nominated by the President, appointed or dismissed by the Board of Directors.

The President, Vice President, chief financial officer and other senior management personnel may be taken by the members of the Board of Directors.

### Article 139

The provisions of the Articles of Association regarding circumstances disqualifying a person from serving as a director and the post-resignation management system shall apply equally to senior executives.

The regulations on the faithful obligations and assiduous obligations in the Articles of Association are also applicable to senior management personnel.

### Article 140

The people who hold posts (except for directors and supervisors in the controlling shareholder unit and actual controller unit of the Company shall not hold the post of senior management personnel.

The senior management personnel of the Company only draw salary from the Company instead of being paid by the controlling shareholder on behalf.

#### Article 141

The term of office of the President is three years and the President can renew his term of office through re-election.

#### Article 142

The President of the Company shall be accountable to the Board of Directors and shall exercise the following functions and powers:

- (I) To be in charge of the production, operation and management of the Company, organize the implementation of the resolutions of the Board of Directors and report his work to the Board of Directors;
- (II) To organize the implementation of the Company's annual business plans and investment plans;
- (III) To draft the plan for establishment of the Company's internal management organization;
- (IV) To draft the Company's basic management system;
- (V) To formulate the specific rules and regulations of the Company;
- (VI) To propose the Board of Directors to conduct the employment or dismissal of the Vice President, chief financial officer of the Company;
- (VII) To hire or dismiss management personnel other than those to be hired or dismissed by the Board of Directors; and
- (VIII) Other functions and powers granted by the Company's Articles of Association and the Board of Directors.

#### Article 143

The President of the Company shall attend the Board Meetings as non-voting delegates.

#### Article 144

The detailed working procedures for the President shall be prepared by the President and shall be implemented after approval by the Board of Directors.

#### Article 145

The detailed working procedures for the President shall contain the following content:

- (I) The conditions, procedures and attendees for meetings convened by the President;
- (II) The specific duties and allocation of duties among the President and other senior management personnel;
- (III) The limit of the right to use funds and assets of the Company and to sign major contracts, as well as the system of reporting to the Board of Directors; and
- (IV) Other matters that the Board of Directors deems necessary.

#### Article 146

In the exercise of their functions and powers, the President, Vice President and chief financial officer and other senior management personnel of the Company shall perform their faithful and assiduous duties in accordance with laws, administrative regulations and the Articles of Association.

The President, Vice President, chief financial officer and other senior management personnel can resign before expiration of the term of office. Specific procedures and methods on the resignation of the President and other senior management personnel shall be specified by the labor contract between such people and the Company.

#### Article 147

The Company shall establish the position of Board Secretary, responsible for preparing General Meetings and Board Meetings, safeguarding documents, managing shareholder information, handling information disclosure matters, and other related duties.

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

#### Article 148

If senior executives, while performing their duties for the Company, causes damage to others, the Company shall bear the liability for compensation. If the senior executives acted intentionally or with gross negligence, they shall also bear liability for compensation.

Senior management personnel shall bear the liability for compensation if losses are caused to the Company due to violating the regulations of laws, administrative regulations, department rules or the Articles of Association when implementing duties of the Company.

#### Article 149

Senior management personnel shall faithfully perform their duties and protect the maximum benefits of the Company and all shareholders. If senior management personnel cannot faithfully perform their duties or violate the duty of good faith, they shall legally undertake the liability for compensating for the damages caused to the benefits of the Company and the shareholders of public shares.

## **Chapter 9 Secretary of the Company**

#### Article 150

The Company shall have one secretary of the Company appointed and dismissed by the Board of Directors. The secretary shall have necessary professional knowledge and experience considered by the directors, and shall meet the qualifications required in the *Listing Rules of SEHK*.

#### Article 151

The responsibilities of the Secretary of the Company are as follows:

- (I) To guarantee that the Company has complete documents and records;
- (II) To ensure that the Company compiles and submits the reports and documents to the administrations for industry and commerce and other relevant authorities regulated in the law; and
- (III) To ensure that the Company's register of shareholders is properly kept and that persons entitled to relevant records and documents of the Company obtain such records and documents in a timely manner.

#### Article 152

Directors or other senior management personnel of the Company may hold a concurrent post as the secretary of the Company. No accountant of the accounting firm hired by the Company may hold a concurrent post as the secretary of the Company.

### **Chapter 10 Financial & Accounting System & Profit Distribution**

#### Article 153

The Company shall formulate its own financial and accounting systems in accordance with laws, administrative regulations and China's accounting standards formulated by the State Council's department in charge of finance.

#### Article 154

The fiscal year of the Company shall be from January 1 to December 31 of each Gregorian calendar year.

#### Article 155

The Board of Directors of the Company shall submit such financial reports of the Company as required by relevant laws, administrative regulations and normative documents promulgated by the local government and the authorities to the shareholders at each Annual General Meeting.

#### Article 156

Except as otherwise provided in the Articles of Association, the Company shall send copies of the said reports to each holder of overseas listed foreign shares by prepaid mail at the recipient's address shown in the register of shareholders not later than twenty-one days before the date of every Annual General Meeting. It can also inform the shareholders by way of publishing the notice on the Company's website and SEHK's website according

to the *Listing Rules of SEHK* and following relevant procedures as well as listening to the shareholders' will.

#### Article 157

The financial statements of the Company shall be prepared in accordance with Chinese accounting standards and regulations, with the exception in which the laws, regulations or listing rules of the places where the shares of the Company are listed stipulate that they shall also be prepared according to the international accounting standards or the accounting standards of the overseas place of listing. If there is an important discrepancy in the financial statements prepared by the two accounting standards, it shall be noted in the notes to the financial statements.

When the Company distributes the after-tax profits of the related accounting year, it shall take the lower of the after-tax profits in the two financial statements stated above.

#### Article 158

The Company shall submit an annual financial report to the CSRC and the stock exchange within 4 months after the end of each fiscal year, submit a semi-annual financial report to the securities regulatory agency of the State Council and the stock exchange within 2 months after the end of the first 6 months of each fiscal year and submit a quarterly financial report to the resident agency of the CSRC in the location of the Company and the stock exchange within 1 month after the end of the first 3 months and the first 9 months of each fiscal year.

The above financial reports shall be worked out according to relevant laws, administrative regulations and provisions of the department rules.

#### Article 159

The Company may not establish any account books other than the statutory account book. The assets of the Company shall not be deposited in any account opened in the name of any person.

#### Article 160

The Company's after-tax profits shall be used in accordance with the following order:

- (I) To make up for losses;
- (II) To withdraw 10% of the after-tax profits as the Company's statutory common reserve fund; Where the accumulated amount of the statutory common reserve fund has exceeded 50 percent of the registered capital of the Company, the Company may make no further allocation.
- (III) To withdraw the discretionary common reserve fund upon the resolutions of the General Meeting; and
- (IV) To pay the dividends in respect of ordinary shares.

The Company shall not allocate the dividends or make other allocations in the form of

dividends before making up for losses and withdrawing the statutory common reserve funds.

After the losses have been covered and the common reserve funds have been drawn, the remaining after-tax profits shall be distributed in proportion to the shares held by shareholders, except for otherwise specified in the Articles of Association.

If the General Meeting distributes the profits to shareholders by violating the provisions of the preceding paragraph before covering losses and withdrawing the statutory common reserve funds, the profits distributed must be refunded to the Company.

No profit may be distributed from the Company's shares held by the Company.

#### Article 161

The common reserve fund (refers to the statutory common reserve fund, discretionary reserve fund and capital reserve fund) of the Company shall be used for the following purposes:

- (I) To make up for the losses of the Company;
- (II) To expand the Company's production and operation; and
- (III) To increase the Company's capital.

But the capital reserve fund shall not be used to cover the Company's losses.

When the Company converts its reserve funds into its capital upon a resolution adopted in General Meeting, the Company shall either distribute new shares in proportion to the shareholders' number of shares, or increase the par value of each share, provided, however, that when the statutory common reserve fund is converted to capital, the balance of the statutory common reserve fund may not fall below 25% of the registered capital.

#### Article 162

The basic principles are as follows when the Company distributes the profits:

- (I) The profit distribution policies of the Company shall keep consistent and steady, which shall stress the reasonable returns on investment of the investors and consider the whole interests of all shareholders and the sustainable development of the Company.
- (II) When the Company makes resolutions and proofs on the profit distribution policies, the opinions of the independent directors and the public investors shall be fully considered.
- (III) The Company shall give priority to cash dividends among the profit distribution modes.

#### Article 163

The details of the profit distribution policies of the Company are as follows:

- (I) Form of profit distribution: The Company may distribute profits in cash, stock or the combination of cash and stock. If possible, the Company may implement medium-term profit distribution.
- (II) Specific conditions and proportion of cash dividends of the Company: Except for

special circumstances, the Company shall distribute dividends in cash when the Company makes a profit in that year and the accumulated undistributed profits are positive. The profits distributed in cash each year shall not be less than 10% of the distributed profits of the current year.

Specific circumstances refer to repurchase of shares, major investments, and other special events considered and approved by the General Meeting of Company.

The following standards shall be adopted for the amount required by repurchasing shares and major investments:

1. The total assets related to the transaction (If the total assets related to the transaction have book value and assessed value, the higher will prevail) in the total assets upon the latest auditing of the Company shall be over 50%;
2. The main business revenue of object of transaction (such as stock right) in the latest fiscal year in the main business revenue upon auditing in the latest fiscal year of the Company shall be over 50% with the absolute amount over RMB 50 million yuan;
3. The net profit of object of transaction (such as stock right) in the latest fiscal year in the net profit upon auditing in the latest fiscal year of the Company shall be over 50% with the absolute amount over RMB 5 million yuan;
4. The amount of transaction (including debts and expenses payable) in the net assets upon auditing in the latest fiscal year of the Company shall be over 50% with the absolute amount over RMB 50 million yuan; and
5. The profit arising from transaction in the net profit upon auditing in the latest fiscal year of the Company shall be over 50% with the absolute amount over RMB 5 million yuan.

If the data in the above index calculation is negative, the absolute value shall prevail.

(III) Conditions of issuing stocks and dividends of the Company: Provided the Company meets the above conditions of cash dividends, it shall draft a preliminary plan for stock dividend distribution.

#### Article 164

The discussion procedures of the profit distribution plan of the Company are as follows:

(I) The Board of Directors of the Company shall fully discuss the rationality of the profit distribution plan and make the detailed meeting minutes. The independent directors shall express their opinions on the profit distribution plan explicitly. After a special resolution of the profit distribution plan is passed, it shall be submitted to the General Meeting for examination. Before the specific plan of cash dividends is considered in the General Meeting, the Company shall actively communicate and exchange opinions with the shareholders, especially minority shareholders, through various channels, listen to the opinions and appeals of minority shareholders, and promptly reply to the issues concerned of minority shareholders. Independent directors may solicit opinions from minority shareholders, put forward a proposal for dividends, and submit it directly to the Board of Directors for consideration.

(II) When the Company makes a profit in that year and the accumulated undistributed

profits are positive, and the dividends aren't distributed in cash or the proposed cash dividend proportion doesn't reach the regulations in Article 228, the Company shall provide the network voting for the shareholders during the examination of the profit distribution plan by the General Meeting.

(III) Provided the Company doesn't distribute dividends in cash for the above-mentioned special circumstances in Article 228, the Board of Directors shall make a special explanation for the reason of such action, accurate purpose of retained earnings of the Company, predicted income from investment and other matters. After the independent directors express their opinions, such matters shall be submitted to the General Meeting for examination and approved 2/3 of the voting rights held by Shareholders attending the General Meeting, and disclosed on the media designated by the Company.

#### Article 165

Implementation of the profit distribution plan of the Company: After the General Meeting of the Company makes a resolution on the profit distribution plan, the Board of Directors shall complete the dividend allocation in 2 months after the convening of the General Meeting.

#### Article 166

Change of profit distribution policies of the Company: In the case of force majeure such as war or natural disaster, any material change of the external operating environment of the Company which causes significant influence on the production and operation of the Company, or any big change of its own business of the Company, the Company shall adjust the profit distribution policies.

The Company's adjustment of profit distribution policy shall be submitted to the Company's General Meeting for deliberation after deliberation by the Company's Board of Directors, and passed by more than two thirds of the voting rights held by shareholders attending the General Meeting. The independent directors shall express their clear opinions on this adjustment. The Company's General Meeting adopts a combination of on-site voting and online voting to facilitate the participation of minority shareholders in decision-making.

#### Article 167

The Company shall implement an internal auditing system. specifying the leadership structure, responsibilities and authorities, staffing, funding assurance, utilization of audit results, and accountability mechanisms for internal audit work.

The Company's internal audit system shall be implemented upon approval by the Board of Directors and shall be publicly disclosed.

#### Article 168

The Chief Audit Executive shall be responsible to and report to the Board of Directors.

The internal audit agency shall conduct supervision and inspection of the Company's business activities, risk management, internal controls, financial information, and other related matters.

#### Article 169

The internal audit agency shall be responsible to the Board of Directors.

In conducting supervision and inspection of the Company's business activities, risk management, internal controls, and financial information, the internal audit agency shall accept the supervision and guidance of the Audit Committee. Upon discovering major related problems or leads, the internal audit agency shall immediately report directly to the Audit Committee.

#### Article 170

The specific organization and implementation of the Company's internal control evaluation shall be the responsibility of the internal audit agency. Based on the evaluation report issued by the internal audit agency and reviewed by the Audit Committee, along with relevant supporting materials, the Company shall issue an annual internal control evaluation report.

#### Article 171

When the Audit Committee communicates with external auditing entities such as accounting firms, the internal audit agency shall actively cooperate and provide necessary support and coordination.

#### Article 172

The Audit Committee shall participate in the appraisal of the internal Chief Audit Executive.

## **Chapter 11 Employment of the Accounting Firm**

#### Article 173

The Company shall employ an accounting firm that meets the requirements of the *Securities Law* to conduct accounting statement audit, net assets verification and other related consulting services for a period of one year, and may be renewed.

#### Article 174

The appointment or dismissal of an accounting firm by the Company must be decided by the General Meeting, and the board of directors may not appoint an accounting firm before the decision of the General Meeting.

#### Article 175

The Company shall provide the engaged accounting firm with truthful and complete accounting vouchers, account books, financial reports and other accounting data, and shall not refuse to do so or conceal any of them or make any false statement.

#### Article 176

The auditing expenses of the accounting firm shall be decided by the General Meeting.

#### Article 177

The remuneration or method of remuneration of an accounting firm shall be decided upon by the General Meeting.

#### Article 178

When the Board of Directors of the Company dismisses or does not renew the employment of an accounting firm, it shall give advance notice to the accounting firm 10 days ahead. The accounting firm shall have the right to present its views to the General Meeting. Where an accounting firm tenders its resignation, it shall inform the General Meeting of whether there is any irregularity in the Company.

The employment, dismissal or refusal of the renewal of the employment of an accounting firm shall be decided by the General Meeting and reported to the securities governing authority of the State Council for the record.

## **Chapter 12 Merger, Division, Capital Increase and Capital Decrease of the Company**

#### Article 179

The Company may adopt the form of merger by absorption or consolidation.

A company absorbs any other company and the absorbed company is dissolved. In case of merger by new establishment, two or more companies merge into a new one and the parties to the merger are dissolved.

#### Article 180

A merger may be conducted without a resolution of the General Meeting if the total consideration paid by the Company does not exceed 10% of the Company's net assets, unless otherwise stipulated in the Articles of Association.

If a merger is conducted pursuant to the preceding paragraph without a General Meeting resolution, it shall be resolved upon by the Board of Directors.

#### Article 181

For merger of companies, the parties to the merger shall enter into a merger agreement and prepare balance sheets and a property list. The Company shall notify its creditors within a period of ten days from the date on which the merger resolution is passed and publish an announcement of the merger in the newspaper or on the National Enterprise Credit Information Publicity System within thirty days from that date. The creditors shall, within 30 days as of the receipt of a notice or within 45 days as of the issuance of the public announcement if they fail to receive a notice, be entitled to require the Company to clear its debts or provide corresponding guarantees.

Upon completion of the merger, the company that exists or the newly established company shall succeed to the claims and debts of the parties to the merger.

#### Article 182

If the Company is to be divided, its property shall be divided accordingly.

For division of the Company, the parties to the division shall enter into a division agreement and prepare balance sheets and a property list. The Company shall notify its creditors within a period of ten days from the date on which the division resolution is passed and publish an announcement in the newspaper or on the National Enterprise Credit Information Publicity System within thirty days from that date.

The post-divided companies shall bear joint and several liabilities for the debts of the former company before it is divided, unless otherwise prescribed by the written agreement between the Company and the creditors before the division with regard to the clearance of debts.

#### Article 183

When the Company reduces its registered capital, it shall prepare a balance sheet and an inventory of assets.

The Company shall notify creditors within ten days from the date when the General Meeting makes the resolution to reduce registered capital and make an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within thirty days. Creditors shall have the right to demand that the Company settle its debts or provide corresponding guarantees within thirty days from the date of receiving the notice, or within forty-five days from the date of the announcement for those who did not receive a notice.

When reducing registered capital, the Company shall proportionally reduce the capital contribution or shares held by shareholders according to their respective shareholding ratios, unless otherwise provided by law or the Articles of Association.

#### Article 184

If losses remain after the Company offsets losses according to the provisions of the Articles of Association, it may reduce its registered capital to cover such losses. When reducing registered capital to cover losses, the Company shall not make distributions to

shareholders, nor shall it exempt shareholders from their obligation to make capital contributions or pay share capital.

The provisions of Paragraph 2 of Article 184 of the Articles of Association shall not apply to reductions of registered capital pursuant to the preceding paragraph. However, the Company shall make an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within thirty days from the date the General Meeting makes the resolution to reduce registered capital.

After reducing registered capital according to the provisions of the preceding two paragraphs, the Company shall not distribute profits until the cumulative amount of the statutory reserve fund and the discretionary reserve fund reaches 50% of the registered capital.

#### Article 185

If registered capital is reduced in violation of the Company Law or other relevant provisions, shareholders shall return the funds they received. If shareholders' capital contributions were reduced, the original state shall be restored. If losses are caused to the Company, the shareholders and the responsible directors and senior executives shall bear liability for compensation.

#### Article 186

When the Company issues new shares to increase its registered capital, shareholders shall not have preemptive rights, unless otherwise stipulated in the Articles of Association or resolved by the General Meeting that shareholders shall have preemptive rights.

#### Article 187

If the Company merges or divides and its registration particulars change, it shall complete the change registration formalities with the Company registration authority according to law. If the Company is dissolved, it shall complete the deregistration formalities according to law. If a new company is established, it shall complete the establishment registration formalities according to law.

The Company shall complete the change registration formalities with the Company registration authority according to law when increasing or decreasing its registered capital.

## **Chapter 13 Dissolution & Liquidation of the Company**

#### Article 188

The Company may dissolve for the following reasons:

(I) The term of business as stipulated in the Articles of Association expires or any other matter so stipulated in the Articles of Association that leads to dissolution of the company

occurs;

(II) The General Meeting resolves to dissolve the Company;

(III) Dissolution is necessary as a result of the merger or division of the Company;

(IV) Its business license is revoked or it is ordered to close down or cancel according to law;

(V) When the Company meets any serious difficulty in its operation and management so that the interests of the shareholders will suffer heavy losses if it continues to exist, which can't be solved by any other means, the shareholders who hold over 10% of the voting powers of all shareholders of the Company may request the People's Court to dissolve the Company; and

If the Company experiences a dissolution cause specified in the preceding paragraph, it shall announce the dissolution cause via the National Enterprise Credit Information Publicity System within ten days.

#### Article 189

When any of the circumstances prescribed in Item (I) or (II) of Article 188 of the Articles of Association and has not yet distributed assets to shareholders, the Company may continue to exist by modifying the Articles of Association or through a resolution of the General Meeting.

It shall be approved by over two thirds of voting powers held by shareholders present at the General Meeting to modify the Articles of Association according to the provisions of the preceding paragraph.

#### Article 190

The Company shall undergo liquidation if dissolved for the reasons specified in Article 188 (I), (II), (IV), or (V). Directors are the obligors for the Company's liquidation. They shall form a liquidation group to conduct liquidation within 15 days from the date the dissolution cause arises.

The liquidation group shall comprise directors or other people determined by the General Meeting.

If no liquidation group is formed within the time limit, the creditors may request the People's Court to designate relevant persons to form a liquidation group to carry out liquidation.

If the liquidation obligor fails to perform the liquidation obligation in a timely manner, causing losses to the Company or creditors, they shall bear liability for compensation.

#### Article 191

The liquidation group shall notify the creditors within ten days from the date of its establishment and publish an announcement of the liquidation in the newspaper or on the National Enterprise Credit Information Publicity System within sixty days.

The creditors shall declare their creditor's rights to the liquidation group within thirty days

from the receipt of the notice or within forty-five days from the date of announcement in the case of failing to receive such notice. Any creditor who declares his creditor's rights shall state relevant items of the creditor's rights and shall provide materials as evidence. The liquidation group shall register the creditor's rights. During the period of declaration, the liquidation group shall not clear the debts of creditors.

#### Article 192

The liquidation group shall exercise the following functions and powers during liquidation:

- (I) Thoroughly liquidate the property of the Company and prepare a balance sheet and property list respectively;
- (II) Notify creditors by a notice or public announcement;
- (III) Dispose of and liquidate relevant unsettled business of the Company;
- (IV) To pay off tax arrears and taxes incurred in the process of liquidation;
- (V) Clear claims and debts;
- (VI) Dispose of the property left after full payment of the Company's debts; and
- (VII) Participate in civil litigation on behalf of the Company.

#### Article 193

After the liquidation group has thoroughly liquidated the Company's property and prepared a balance sheet and property list, it shall formulate a liquidation plan and submit such plan to the General Meeting or People's Court for confirmation.

The remaining property of the Company, after paying the liquidation expenses, salaries of employees, social insurance premiums, legal compensations, tax arrears and debts of the Company, may be distributed in proportion to the shares held by the shareholders.

During the period of liquidation, the Company continues to exist, but may not carry out any business operation irrelevant with liquidation. The property of the Company shall not be distributed to any shareholders before clearing the debts as stated in the preceding paragraph.

#### Article 194

The liquidation group have thoroughly examined the Company's property and prepared a balance sheet and property list, discovers that the Company's property is insufficient to pay its debts in full, the liquidation group shall immediately apply to the people's court for a declaration of bankruptcy liquidation.

After the People's Court accepts the Company bankruptcy application, the liquidation group shall transfer the liquidation matters to the bankruptcy administrator designated by the People's Court.

#### Article 195

After the liquidation of the Company, the liquidation group shall prepare a liquidation

report and submit it to the General Meeting or the people's court for confirmation, and submit it to the company registration authority to apply for cancellation of company registration.

#### Article 196

Members of the liquidation group shall perform liquidation duties with a duty of loyalty and duty of diligence.

If a member negligently fails to perform liquidation duties, causing losses to the Company, they shall bear liability for compensation. If a member causes losses to creditors due to intentional acts or gross negligence, they shall bear liability for compensation.

#### Article 197

When the Company is declared bankrupt according to law, bankruptcy liquidation shall be carried out in accordance with that concerning enterprise bankruptcy.

## **Chapter 14 Amendment of Articles of Association**

#### Article 198

The Company shall amend the Articles of Association in case of any of the following circumstances:

- (I) After the *Company Law* or relevant laws and administrative regulations are amended, the Articles of Association is in conflict with them;
- (II) The Company's situation changes, causing inconsistency with the provisions of the Articles of Association; and
- (III) The General Meeting decides to modify the Articles of Association.

#### Article 199

Where the amendment to the Articles of Association adopted by the resolution of the General Meeting shall be subject to examination and approval by the competent authority, it shall be submitted to the competent authority for approval; in the event of any change of the Company's registration items, the change of registration shall be done in accordance with the laws.

#### Article 200

The Board of Directors shall amend the Articles of Association according to the resolution to amend the Articles of Association adopted at the General Meeting as well as the examination and approval opinions of relevant authorities in charge.

#### Article 201

If an amendment to the Articles of Association is information that needs to be disclosed

according to laws and regulations, announcement shall be made as prescribed.

## **Chapter 15 Notice & Announcement**

### Article 202

The Company shall issue notices in the following forms:

(I) By specially assigned person;

(II) By mail (including email);

(III) By announcement; and

(IV) In the form of fax.

(V) On the premise of complying with laws, administrative regulations and listing rules of the place where the Company's shares are listed, it shall be published on the websites of the Company and the Stock Exchange;

(VI) It shall be sent by laws, administrative regulations or other normative documents, approved by the securities regulatory authority in the place where the company's shares are listed, or in other forms as stipulated in the Articles of Association.

### Article 203

Limited by the provisions of the listing rules of the place where the company's shares are listed, if the notice issued by the Company is made by announcement, once it is announced, it shall be deemed that all relevant personnel have received the notice.

### Article 204

The notice of the meeting of the General Meeting convened by the company shall be delivered by special person, sent by mail (including e-mail), announced, faxed or otherwise specified in the rules of procedure of the General Meeting. If there are specific provisions in the listing rules of the place where the company's shares are listed, those provisions shall prevail.

### Article 205

The notice of the meeting of the board of directors convened by the Company shall be delivered by special person, sent by mail (including e-mail), announced, faxed or otherwise specified in the rules of procedure of the directors' meeting.

### Article 206

For a notice of the Company delivered by specially assigned person, the addressee shall sign (or affix his seal) on the return receipt of service and the date of his signature shall be the date of service. For a notice of the Company delivered by mail, the date of the service shall be the first working day from delivery to the post office. For a notice of the Company delivered by

announcement, the date of service shall be the first day of the publishing of the announcement.

#### Article 207

If the meeting notice is not delivered to, or received by, a person who has a right to get such a notice due to an accidental omission, the meeting and resolutions adopted at such a meeting shall not be considered invalid because of that cause.

#### Article 208

Upon the listing of its A shares, the media agencies designated by the Company for the purposes of publishing company announcements and other information required to be disclosed are China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily.

#### Article 209

If the notice issued by the Company to the shareholders of overseas listed foreign shares is issued by public announcement, the electronic version of the notice for immediate publication shall be submitted to the Stock Exchange on the same day through the electronic publishing system of the Stock Exchange according to the requirements of the *Listing Rules of the Stock Exchange*. To be published on the website of the Stock Exchange, or to be published in newspapers (including advertisements in newspapers) as required by the *Listing Rules of the Stock Exchange*. The announcement must also be published on the company's website.

With regard to the way in which the company provides and/or distributes corporate communications to shareholders in accordance with the requirements of the *Listing Rules of the Stock Exchange*, the company can send or provide corporate communications to shareholders of the company electronically, by publishing information on the company's website or by mail in accordance with relevant laws and regulations and the relevant provisions of the *Listing Rules of the Stock Exchange* as amended from time to time. The company communication includes but is not limited to: circular, annual report, interim report, quarterly report, notice of General Meeting and other company newsletters listed in the *Listing Rules of the Stock Exchange*.

Shareholders of the company's overseas listed foreign shares may also choose to obtain printed copies of the above-mentioned company newsletter by mail in writing.

#### Article 210

When the notice is sent by way of mail, the address shall be written clearly on the envelope enclosing the notice and sent in the form of prepaid mail. Unless otherwise specified in the Articles of Association, the letter of the notice shall be deemed as being received by the shareholders five days after the letter is sent.

#### Article 211

Any notices, documents, materials or written statements issued by the shareholders or directors to the Company shall be sent by specially assigned person or sent by registered mail to the legal address of the Company.

#### Article 212

In order to prove that such notices, documents, materials or written statements have already been sent, the shareholders or directors shall provide evidence to prove that such notices, documents, materials or written statement have been sent within the specified delivery time in the normal way or by way of prepaid mail to the correct address of the Company.

## **Chapter 16 Supplementary Provisions**

#### Article 213

##### Definition:

(I) The controlling shareholder refers to the shareholder who holds more than 50% of the total capital stock of the Company (including the preferred shares of voting power); and the shareholder who holds less than 50% of the shares but the voting power represented by his/her shares are sufficient to make a significant impact on the resolutions of the General Meeting.

(II) The actual controller refers to the person who can actually controls the Company's actions through investment relationship, agreement or other arrangement.

(III) The associated relationship refers to the relationship between the controlling shareholders, actual controllers, directors, senior management personnel and companies directly or indirectly controlled by them and other relationship which may lead to profit transfer of the Company. However, state-controlling enterprises shall not be deemed to have associated relationship only because they are under the same control by the state.

#### Article 214

The Board of Directors shall draft the detailed rules and regulations of the Articles of Association, which shall not violate the regulations of the Articles of Association.

#### Article 215

The Articles of Association shall be written in Chinese. In case of any discrepancy between the Articles of Association made in any other languages or prepared in different versions and the Articles of Association, the Articles of Association of the latest Chinese version approved by and filed in Shandong Administration for Industry and Commerce shall prevail.

#### Article 216

The terms of “over”, “within” and “no more than” herein shall be inclusive of the number itself; and the terms of “under”, “beyond”, “below” and “more than” shall be exclusive of the number itself.

#### Article 217

The meaning of “accounting firm” mentioned in the Articles of Association shall be the same with that of the “auditor” and the meaning of “independent director” shall be the same with that of the “independent non-executive director”.

#### Article 218

The interpretation of the Articles of Association is vested in the Board of Directors of the Company.

#### Article 219

The Articles of Association shall come into effect as of the date of resolution adopted by the General Meeting of the Company.

#### Article 220

Provided the Articles of Association go against laws, administrative regulations and department rules of the state, the latter shall prevail.

#### Article 221

The annexes attached hereto include the rules of procedure of the General Meeting and the rules of procedure of the Board of Directors. If there is any inconformity or conflict between the annexes and the Articles of Association, the Articles of Association shall prevail.

\* For identification purpose only