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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker, or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Shanghai Bio-heart Biological Technology Co., Ltd.**, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**Shanghai Bio-heart Biological Technology Co., Ltd.**  
**上海百心安生物技術股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2185)**

**WORK REPORT OF THE BOARD OF DIRECTORS FOR 2023**  
**WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2023**  
**PROFIT DISTRIBUTION PLAN FOR 2023**  
**AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR 2023**  
**2023 ANNUAL REPORT**  
**RE-APPOINTMENT OF AUDITORS FOR 2024**  
**PROPOSED APPOINTMENT OF INDEPENDENT**  
**NON-EXECUTIVE DIRECTORS**  
**REMUNERATIONS OF DIRECTORS**  
**REMUNERATIONS OF SUPERVISORS**  
**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**  
**GENERAL MANDATE TO ISSUE SHARES**  
**AND**  
**NOTICE OF 2023 ANNUAL GENERAL MEETING**

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Notice convening the AGM to be held at Room 302, 3/F, Building 4, No. 590 Ruiqing Road, East Zhangjiang Hi-Tech Park, Pudong New Area, Shanghai, PRC at 2:00 p.m. on Friday, June 21, 2024 is set out on pages 116 to 120 of this circular.

A form of proxy for use at the AGM are enclosed and are also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.bio-heart.com](http://www.bio-heart.com)). Shareholders who intend to attend the AGM or to appoint a proxy to attend the AGM shall complete and return the form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time appointed for the AGM (i.e. no later than 2:00 p.m. on Thursday, June 20, 2024) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not prevent you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

Reference to times and dates in this circular are to Hong Kong local times and dates.

May 30, 2024

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## CONTENTS

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	<i>Pages</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	4
<b>APPENDIX I — BIOGRAPHICAL DETAILS OF THE PROPOSED DIRECTORS</b> .....	13
<b>APPENDIX II — PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION</b> .....	15
<b>NOTICE OF 2023 ANNUAL GENERAL MEETING</b> .....	116

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“2023 Annual Report”	the annual report of the Company for the year ended December 31, 2023, which can be found on the HKExnews website of the Stock Exchange (www.hkexnews.hk) and the Company’s website (www.bio-heart.com)
“AGM” or “Annual General Meeting”	the 2023 annual general meeting of the Company to be held at Room 302, 3/F, Building 4, No. 590 Ruiqing Road, East Zhangjiang Hi-Tech Park, Pudong New Area, Shanghai, PRC at 2:00 p.m. on Friday, June 21, 2024 or any adjournment thereof for the purpose of, considering and, if thought fit, approving the resolutions contained in the notice of the 2023 annual general meeting which is set out on pages 116 to 120 of this circular
“Articles of Association”	the articles of association of the Company currently in force
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of directors of the Company
“China”, “PRC”, or “the PRC”	the People’s Republic of China
“Company”	Shanghai Bio-heart Biological Technology Co., Ltd. (上海百心安生物技術股份有限公司), a joint stock company incorporated in the PRC with limited liability on December 8, 2020, or, where the context requires (as the case may be), its predecessor with the same English name (上海百心安生物技術有限公司), a limited liability company established in the PRC on July 18, 2014
“Company Law”	the Company Law of the People’s Republic of China
“Director(s)”	director(s) of the Company

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## DEFINITIONS

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“Group”	the Company and all of its subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it
“H Share(s)”	overseas listed foreign invested ordinary share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Stock Exchange
“H Shareholder(s)”	the holder(s) of H Share(s)
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Dollars”, “HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Director(s)” or “Independent Non-executive Director(s)”	the independent non-executive Director(s) of the Company
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Board at the AGM to allot, issue and/or deal with the Unlisted Foreign Shares and H Shares not exceeding 20 per cent of each of the total number of Unlisted Foreign Shares and H Shares, respectively, in issue on the date of passing the related resolution, subject to the conditions set out in the resolution proposed at the Annual General Meeting for approving the general mandate
“Latest Practicable Date”	May 24, 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Date”	December 23, 2021, on which the H Shares were listed and from which dealings therein were permitted to take place on the Stock Exchange

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Nomination Committee”	the nomination committee of the Board
“Remuneration Committee”	the remuneration committee of the Board
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the Unlisted Foreign Shares and H Shares
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the member(s) of the Supervisory Committee
“Supervisory Committee”	the supervisory committee of the Company
“Unlisted Foreign Share(s)”	ordinary shares issued by the Company with a nominal value of RMB1.00 each and are held by foreign investors and are not listed on any stock exchange
“%”	per cent

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LETTER FROM THE BOARD

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**Shanghai Bio-heart Biological Technology Co., Ltd.**  
**上海百心安生物技術股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2185)**

*Executive Directors:*

Mr. Philip Li WANG (Chairman)

Mr. Yunqing WANG

Ms. Peili WANG

*Independent Non-executive Directors:*

Mr. Charles Sheung Wai CHAN

Mr. Xubo LU

Mr. Wing Yiu DJEN

*Registered Office, Headquarters and*

*Principal Place of Business in the PRC:*

Room 302, 3/F, Building 4

No. 590 Ruiqing Road

East Zhangjiang Hi-Tech Park

Pudong New Area

Shanghai

PRC

*Principal Place of Business in Hong Kong:*

Room 1901, 19/F, Lee Garden One

33 Hysan Avenue

Causeway Bay

Hong Kong

May 30, 2024

*To the Shareholders*

Dear Sir or Madam,

**WORK REPORT OF THE BOARD OF DIRECTORS FOR 2023**  
**WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2023**  
**PROFIT DISTRIBUTION PLAN FOR 2023**  
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**AND**  
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## LETTER FROM THE BOARD

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### INTRODUCTION

The purpose of this circular is to provide you with the notice of the AGM (set out on pages 116 to 120 of this circular) and information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the AGM.

At the AGM, ordinary resolutions will be proposed to approve, among other things, (i) the work report of the Board of Directors for 2023 (the “**2023 Work Report of the Board**”); (ii) the work report of the Supervisory Committee for 2023 (the “**2023 Work Report of the Supervisory Committee**”); (iii) the profit distribution plan for 2023 (the “**2023 Profit Distribution Plan**”); (iv) the audited consolidated financial statements for 2023 (the “**2023 Financial Statements**”); (v) the 2023 Annual Report; (vi) the re-appointment of auditors of the Company for 2024 and authorization for the Board to determine their remunerations; (vii) the proposed appointment of Mr. Yiqing CHEN and Mr. Yifei JIANG as independent non-executive Directors and authorization for the Board to determine their remunerations; (viii) to authorize the Board to determine the remunerations of the Directors; and (ix) to authorize the Supervisory Committee to determine the remunerations of the Supervisors.

At the AGM, special resolutions concerning the following matters of the Company will be proposed to consider and approve (1) the amendments to the Articles of Association; and (2) the grant of general mandate to the Board to issue Shares.

### ORDINARY RESOLUTIONS:

#### 1. 2023 Work Report of the Board

An ordinary resolution will be proposed at the AGM to approve the 2023 Work Report of the Board. Please refer to the Report of the Directors in the 2023 Annual Report.

The 2023 Work Report of the Board was considered and approved by the Board on March 25, 2024 and is hereby proposed at the AGM for consideration and approval.

#### 2. 2023 Work Report of the Supervisory Committee

An ordinary resolution will be proposed at the AGM to approve the 2023 Work Report of the Supervisory Committee. Please refer to the Report of Supervisors in the 2023 Annual Report.

The 2023 Work Report of the Supervisory Committee was considered and approved by the Supervisory Committee on March 25, 2024 and is hereby proposed at the AGM for consideration and approval.

#### 3. 2023 Profit Distribution Plan

Based on the operating results, financial position and future development plan of the Company, the Board recommended not to distribute the final dividend for 2023.

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## LETTER FROM THE BOARD

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The 2023 Profit Distribution Plan was considered and approved by the Board on March 25, 2024 and is hereby proposed at the AGM for consideration and approval.

#### 4. 2023 Financial Statements

An ordinary resolution will be proposed at the AGM to approve the 2023 Financial Statements. Please refer to the 2023 Financial Statements contained in the 2023 Annual Report.

The 2023 Financial Statements were considered and approved by the Board on March 25, 2024 and are hereby proposed at the AGM for consideration and approval.

#### 5. 2023 Annual Report

An ordinary resolution will be proposed at the AGM to approve the 2023 Annual Report.

The 2023 Annual Report was considered and approved by the Board on March 25, 2024 and is hereby proposed at the AGM for consideration and approval.

#### 6. Resolution on the re-appointment of auditors of the Company for 2024

The Board proposes that Ernst & Young Hua Ming LLP be re-appointed as the domestic auditor for the Company in 2024, responsible for providing relevant external auditing service in accordance with Chinese Accounting Standards for Business Enterprises until the close of the annual general meeting of the Company for 2024. The Board proposes that Ernst & Young be re-appointed as the international auditor for the Company in 2024, responsible for providing relevant international auditing and reviewing service in accordance with the International Financial Reporting Standards until the close of the annual general meeting of the Company for 2024. The proposal on the re-appointment of domestic and international auditors and the authorisation to the Board to fix their respective remuneration are hereby proposed at the AGM for consideration and approval.

#### 7. Proposed appointment of independent non-executive Directors to the second session of the Board of Directors

An ordinary resolution will be proposed at the AGM to appoint each of Mr. Yiqing CHEN (陳軼青) (“**Mr. Chen**”) and Mr. Yifei JIANG (蔣一斐) (“**Mr. Jiang**”) as an independent non-executive Director of the Company and to authorize the Board to do all such acts and things to give effect to such matters.

Reference is made to the announcement of the Company dated May 22, 2024 in relation to the resignations of (i) Mr. Charles Sheung Wai CHAN (“**Mr. Charles Chan**”) an independent non-executive Director, the chairperson of Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee, and (ii) Mr. Wing Yiu DJEN (“**Mr. Djen**”) as an independent non-executive Director and a member of each of the Audit Committee and the Remuneration Committee in order to devote more time to



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## LETTER FROM THE BOARD

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their other work commitments. In the same announcement, the Board has proposed the appointment of Mr. Chen and Mr. Jiang as independent non-executive Directors to fill the vacancies in the Board and the Audit Committee, the Remuneration Committee and the Nomination Committee arising from the resignation of Mr. Charles Chan and Mr. Djen.

Each of Mr. Charles Chan and Mr. Djen has confirmed that he has no disagreement with the Board and there is no matter relating to his resignation that needs to be brought to the attention of the Shareholders or the Stock Exchange.

Pursuant to Articles 85 and 102 of the Articles of Association, the proposed appointment of a Director shall be subject to the approval by the Shareholders. The proposed appointment of Mr. Chen and Mr. Jiang as independent non-executive Directors shall be subject to approval by the Shareholders. The proposal on the appointment of Mr. Chen and Mr. Jiang as independent non-executive Directors and the authorization to the Board to do all such acts and things to give effect to such matters is hereby proposed at the AGM for consideration and approval. The biographical details of Mr. Chen and Mr. Jiang are set out in Appendix I to this circular.

Upon approval of the appointment of Mr. Chen and Mr. Jiang as independent non-executive Directors by the Shareholders at the AGM, a service agreement will be entered into between the Company and each of Mr. Chen and Mr. Jiang for a term commencing from the date of approval at the AGM and ending on the expiration of the term of the second session of the Board, which may be terminated by either party by giving not less than two months' notice in writing and he is eligible for re-election upon the expiry of his term of office. Subject to the approval by the Shareholders at the AGM, the Board will determine Mr. Chen's and Mr. Jiang's remunerations as Directors with reference to their respective duties, experience and responsibilities in the Company as well as the prevailing market conditions.

The nomination of Mr. Chen and Mr. Jiang as independent non-executive Directors proposed by the Nomination Committee according to the nomination procedure for Directors set out in Appendix I to this circular and based on the needs of the Company and submitted to the Board for review after the consideration of the Director candidates' relevant qualification by the Nomination Committee.

The Nomination Committee and the Board are of the view that (i) Mr. Chen has extensive experience and solid professionalism in the fields of audit and accounting; and (ii) Mr. Jiang has extensive experience and solid professionalism in the field of investment consulting and management in life sciences industry. As such, the track records and experience as well as professional strengths of Mr. Chen and Mr. Jiang can enable them to contribute to the Board with their valuable views and facilitate the diversity of the Board, while bringing in fresh perspectives on matters that are relevant to the Group's operations and future development during Board and Board committee meetings. Each of Mr. Chen and Mr. Jiang has confirmed that he has satisfied the independence criteria in accordance with the Listing Rules. After reviewing the curriculum vitae and conducting assessment on the independence criteria pursuant to the Listing Rules, the Nomination Committee and the Board are satisfied with the independence of each of Mr. Chen and Mr. Jiang as a candidate for the position of independent non-executive Director. As such, the Board

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## LETTER FROM THE BOARD

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recommends each of Mr. Chen and Mr. Jiang to be appointed as an independent non-executive Director of the second session of the Board at the AGM.

8. **To authorize the Board to determine the remunerations of Directors**
9. **To authorize the Supervisory Committee to determine the remunerations of Supervisors**

### **SPECIAL RESOLUTIONS:**

#### **10. Proposed Amendments to the Articles of Association**

Reference is made to the announcement of the Company dated May 22, 2024 in relation to, among others, the amendments to the Articles of Association. The Board proposed to make certain amendments to the Articles of Association, in order to, among other things, (i) reflect the latest updates on requirements and interpretation of applicable PRC laws, administrative regulations and normative documents and the related Listing Rules in the Articles of Association; (ii) bring the Articles of Association in line with the latest regulatory requirements in relation to the expanded paperless listing regime and the mandatory electronic dissemination of corporate communications by listed issuers and the relevant amendments made to the Listing Rules; and (iii) incorporate certain consequential and housekeeping amendments.

The proposed amendments to the Articles of Association have been approved by the Board but are subject to the approval by the Shareholders by way of a special resolution at the AGM. Save for the proposed amendments, other provisions of the Articles of Association remain unchanged.

The full text of the proposed amendments to the Articles of Association are set out in Appendix II to this circular. The Articles of Association are written in Chinese with no official English version. Any English translation is for reference only. In case of any inconsistency, the Chinese version shall prevail.

The legal advisers to the Company as to the laws of Hong Kong and the laws of the PRC have respectively confirmed that the proposed amendments to the Articles of Association comply with the requirements of the Listing Rules and the applicable laws of the PRC. The Company also confirms that there is nothing unusual about the proposed amendments to the Articles of Association for a company incorporated in the PRC and listed on the Stock Exchange.

#### **11. Resolution on general mandate to issue Shares**

To provide more flexibility and convenience to the fundraisings for the Company, the proposal to issue additional shares of the Company and to grant the Board a general mandate is hereby proposed at the AGM for consideration and approval by the Shareholders:

- A. To consider and approve the Company to issue additional H Shares and/or additional Unlisted Foreign Shares in the share capital of the Company

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## LETTER FROM THE BOARD

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(“**Additional Shares**”) and to grant to the Board a general mandate (“**General Mandate**”), subject to terms and conditions set out in this resolution, for the exercise by the Board during the Relevant Period (as defined in (iv)) of powers to allot or issue Additional Shares and/or make offers, agreements or options which might require the issue, allotment or disposal of Additional Shares (such Additional Shares being subject to a maximum of 20% of the respective aggregate number of issued H Shares and Unlisted Foreign Shares of the Company as at the date of approval of this resolution), and to make or grant offers or agreements in respect of such Additional Shares:

- i. such General Mandate shall not extend beyond the Relevant Period save that the Board may during the Relevant Period make or grant offers or agreements which might require the exercise of such powers after the end of the Relevant Period;
- ii. the total number of Shares approved to be allotted or agreed conditionally or unconditionally to be allotted by the Board shall not exceed: (a) 20% of the total number of H Shares of the Company in issue at the date of the passing of this resolution; and/or (b) 20% of the total number of Unlisted Foreign Shares of the Company in issue at the date of the passing of this resolution, otherwise than pursuant to any scrip dividend scheme or similar arrangement providing for the allotment of such Shares in lieu of the whole or part of a dividend on such Shares in accordance with the Articles of Association;
- iii. the Board will only exercise its power under such mandate in accordance with the relevant laws and regulations of the PRC (as amended from time to time) and the Listing Rules and only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant PRC government authorities are obtained;
- iv. for the purposes of this resolution:

“**H Shares**” means the overseas listed foreign shares with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Stock Exchange and subscribed for and traded in Hong Kong dollars;

“**Unlisted Foreign Shares**” means the ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are held by foreign investors and are not listed on any stock exchange;

“**Relevant Period**” means the period from the passing of this resolution until the earlier of:

- (a) the conclusion of the 2024 annual general meeting of the Company following the passing of this resolution; or

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## LETTER FROM THE BOARD

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- (b) the date on which the authority conferred by this resolution is revoked or varied by a special resolution in a general meeting of the Company.
- B. Subject to the Board issuing additional H Shares and/or additional Unlisted Foreign Shares pursuant to this resolution, the Board be authorized to:
  - i. approve, execute and do or procure to be executed and done, all documents, deeds and things as it may consider necessary in connection with the issue of such new shares of the Company (including, but not limited to the time, price, quantity and place of issue, making all necessary applications to the relevant authorities, entering into an underwriting agreement or any other agreement);
  - ii. determine the use of proceeds and make all necessary filing, registration and applications with or to the relevant authorities in the PRC and/or Hong Kong (if required);
  - iii. determine the registered capital and the number of shares of the Company pursuant to the issue or allotment of shares pursuant to this resolution, and register with the relevant authorities in the PRC and/or Hong Kong upon an increase of registered capital and the number of shares of the Company; and
  - iv. make amendments to the articles of association of the Company accordingly as it thinks fit so as to reflect relevant matters such as the registered capital and new capital structure of the Company after the issue and allotment of shares of the Company.

### AGM

The Company will hold the AGM at Room 302, 3/F, Building 4, No. 590 Ruiqing Road, East Zhangjiang Hi-Tech Park, Pudong New Area, Shanghai, PRC on Friday, June 21, 2024, at 2:00 p.m. for the Shareholders to consider, and if thought fit, approve the resolutions relating to, among others, (i) the 2023 Work Report of the Board; (ii) the 2023 Work Report of the Supervisory Committee; (iii) the 2023 Profit Distribution Plan; (iv) the 2023 Financial Statements; (v) the 2023 Annual Report; (vi) the re-appointment of auditors of the Company for 2024 and authorization for the Board to determine their remunerations; (vii) the proposed appointment of Mr. Yiqing CHEN and Mr. Yifei JIANG as independent non-executive Directors and authorization for the Board to determine their remunerations; (viii) to authorize the Board to determine the remunerations of the Directors; and (ix) to authorize the Supervisory Committee to determine the remunerations of the Supervisors. At the AGM, special resolutions concerning the following matters of the Company will be proposed to consider and approve (1) the amendments to the Articles of Association; and (2) the grant of general mandate to the Board to issue Additional Shares. Notice of the AGM is set out on pages 116 to 120 of this circular.

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## LETTER FROM THE BOARD

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### **CLOSURE OF REGISTER OF MEMBERS OF H SHARES AND ASCERTAINING OF ELIGIBILITY FOR ATTENDING THE AGM**

The register of members of H Shares of the Company has been closed since Wednesday, May 22, 2024 to Friday, June 21, 2024, both days inclusive, during which no transfer of H Shares will be registered, in order to determine the holders of the H Shares who are entitled to attend and vote at the forthcoming AGM. To be eligible to attend and vote at the AGM, all properly completed transfer documents, accompanied by relevant share certificate(s), must have been lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Tuesday, May 21, 2024 for registration.

Enclosed herewith is proxy form for the AGM. If you intend to attend the AGM or to appoint a proxy to attend the AGM, you are required to complete and return the proxy form in accordance with instructions printed thereon and return them to the Company's H shares registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (in case of holders of H Shares) or the Company's registered office at Room 302, 3/F, Building 4, No.590 Ruiqing Road, East Zhangjiang Hi-Tech Park, Pudong New Area, Shanghai, PRC (in case of holders of Unlisted Foreign Shares) as soon as possible and in any event no later than 24 hours before the time appointed for the AGM (i.e. no later than 2:00 p.m. on Thursday, June 20, 2024) or any adjournment thereof (for the proxy form (if any)). Completion and return of the proxy form will not preclude you from attending and voting at the AGM or any adjournment thereof in person if you so wish.

#### **Voting by Way of Poll**

In accordance with Rule 13.39(4) of the Listing Rules, any vote of Shareholders at the AGM must be taken by poll. As such, all the resolutions set out in the notice convening the AGM will be voted by poll.

Save as disclosed in the circular, if any, no Shareholder will have a material interest in the matters to be approved and will be required to abstain from voting in respect of such resolutions.

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## LETTER FROM THE BOARD

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### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### RECOMMENDATIONS

The Directors (including the Independent Non-executive Directors) consider that all the above resolutions are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all the Shareholders to vote in favour of the aforesaid resolutions to be proposed at the AGM.

By Order of the Board  
**Shanghai Bio-heart Biological Technology Co., Ltd.**  
**Philip Li WANG**  
*Chairman and executive Director*

*Set out below are the biographical details of Directors proposed for appointment at the AGM.*

### **Independent Non-executive Directors**

**Mr. Yiqing Chen (陳軼青)**, aged 40, graduated from Shanghai Jiaotong University (上海交通大學), the PRC, in June 2006 with a bachelor's degree in food science and engineering and graduated from China Europe International Business School (中歐國際工商學院), the PRC, in August 2016 with a master's degree in business administration. From September 2006 to June 2010, Mr. Chen served as a senior auditor of the Shanghai branch of Ernst & Young (安永華明會計師事務所上海分所). From June 2010 to June 2012, he served as the deputy business director of the Investment Banking Department of Orient Securities Co., Ltd. (東方證券股份有限公司) (a company listed on the Stock Exchange (stock code: 3958) and the Shanghai Stock Exchange (stock code: 300676)). From July 2012 to September 2014, he served as a business director of the Investment Banking Department of Citi Orient Securities Company Limited (東方花旗證券有限公司) (currently known as Orient Securities Investment Banking Co., Ltd. (東方證券承銷保薦有限公司)). From September 2014 to May 2015, he served as the chief financial officer of BGI Tech Solutions Co., Ltd. (深圳華大基因科技服務有限公司). From June 2015 to September 2021, he worked at BGI Genomics Co., Ltd. (深圳華大基因股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300676) and successively served as the chief financial officer and deputy general manager. From September 2021 to November 2021, he served as the vice-chief financial officer and general manager of the investor relations and capital development department of Fosun Pharmaceutical (Group) Co., Ltd. (上海復星醫藥(集團)股份有限公司) (a company listed on the Stock Exchange (stock code: 02196) and the Shanghai Stock Exchange (stock code: 600196)). From November 2021 to November 2022, he served as the chief financial officer of Ascentage Pharma Group International (亞盛醫藥集團) (a company listed on the Stock Exchange, stock code: 6855). Since April 2024, Mr. Chen has been serving as the deputy general manager and chief financial officer of Vcanbio Cell & Gene Engineering Corp., Ltd. (中源協和細胞基因工程股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600645). Mr. Chen was admitted as a non-practicing member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in January 2008, a fellow of the Chartered Institute of Management Accountants (CIMA) in May 2016, a Chartered Global Management Accountant (CGMA) in May 2016 and a member of the Association of Chartered Certified Accountants (ACCA) in May 2018.

**Mr. Yifei Jiang (蔣一斐)**, aged 40, graduated from Soochow University, the PRC, in June 2006 with a bachelor's degree in international accounting. From August 2006 to May 2013, Mr. Jiang worked at Deloitte Touche Tohmatsu Certified Public Accountants Co., Ltd. (德勤華永會計師事務所), holding his last position as a manager, primarily responsible for the taxation and commercial consulting. From May 2013 to January 2016, he worked as a manager at PricewaterhouseCoopers Zhong Tian LLP (普華永道中天會計師事務所), primarily responsible for investment consulting business. From February 2016 to June 2022, he worked as a managing director at Shanghai Huijia Investment Consulting Limited (上海慧嘉投資顧問有限公司), a subsidiary of China Renaissance Holdings Limited (華興資本控股有限公司) (a company listed on the Stock Exchange (stock code: 1911)), primarily responsible for investment banking services in healthcare and life science

industry. Since June 2022, he has been serving as the chief financial officer of Gordian Enterprise Management Consulting (Shanghai) Co., Ltd. (革錠企業管理諮詢(上海)有限公司), a venture capital firm focusing on global life sciences industry, primarily responsible for its investment, finance and operation. Mr. Jiang was admitted as a non-practicing member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in August 2015 and a registered tax agent from the Ministry of Human Resources and Social Security (人力資源和社會保障部) and State Taxation Administration (國家稅務總局) of the PRC in June 2010.

Save as disclosed above, Mr. Chen and Mr. Jiang do not and have not held any directorships in any other listed public companies in the last three years prior to the Latest Practicable Date, of which the securities are listed on any securities market in Hong Kong or overseas, and nor do Mr. Chen and Mr. Jiang have other major appointments and professional qualifications. Furthermore, Mr. Chen and Mr. Jiang have no relationship with any Directors, Supervisors, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company, nor do Mr. Chen and Mr. Jiang have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Also, Mr. Chen and Mr. Jiang do not hold any other positions in the Company or other members of the Group.

Save as disclosed above and to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, there are no other matters in relation to the proposed appointment of Mr. Chen and Mr. Jiang as Directors that need to be brought to the attention of the Shareholders or disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

#### **NOMINATION POLICY AND PROCEDURE FOR INDEPENDENT NON-EXECUTIVE DIRECTORS**

The Nomination Committee has assessed and reviewed each of the candidates for independent non-executive Directors' written confirmation of independence based on the independence criteria as set out in Rule 3.13 of the Listing Rules and confirmed that all the candidates for independent non-executive Directors remain independent. The nominations were made in accordance with the nomination policy and the objective criteria (including but not limited to qualifications, skills, integrity, experience and the amount of time and effort that the candidate will devote to discharge his/her duties and responsibilities), with due regard for the benefits of diversity, as set out under the board diversity policy of the Company, details of which are set out in the annual report of the Company for the year ended 31 December 2023. The Nomination Committee is of the view that the candidates for independent non-executive Directors, namely Mr. Chen and Mr. Jiang have extensive experience in different fields and professions that are relevant to the Company's business. In addition, their respective background, experience and knowledge allow them to provide the Company valuable and relevant insights and contribute to the diversity of the Board. Accordingly, the Nomination Committee has recommended them to the Board and the Board has endorsed the recommendations of the Nomination Committee and recommended all candidates for the independent non-executive Directors to be appointed at the Annual General Meeting.



**Shanghai Bio-heart Biological Technology Co., Ltd.**

**上海百心安生物技術股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**ARTICLES OF ASSOCIATION**

**[●] 2024~~June-2023~~**

## Shanghai Bio-heart Biological Technology Co., Ltd.

### Articles of Association

#### Chapter 1 General Provisions

**Article 1** Shanghai Bio-heart Biological Technology Co., Ltd. (hereinafter referred to as the “Company”) is a joint stock company with limited liability established in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”) and other laws and administrative regulations in China. For the purpose of regulating the organization and conduct of the Company and safeguarding the lawful rights and interests of the Company, its shareholders and creditors, the Articles of Association have been formulated in accordance with the Company Law of the People’s Republic of China (“Company Law”), the Securities Law of the People’s Republic of China (“Securities Law”), the Constitution of the Communist Party of China (“CPC”) (“the Party’s Constitution”), ~~The Articles of Association are formulated in accordance with the Company Law, the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Special Provisions of the State Council Concerning the Floatation and Listing Abroad of Stocks by Limited Stock Companies (hereinafter referred to as the “Special Provisions”), the Mandatory Provisions for the Articles of Association of Companies Listed Overseas (hereinafter referred to as the “Mandatory Provisions”), the Letter on the Supplementary Opinions to the Articles of Association of Companies to be listed in Hong Kong (hereinafter referred to as the “Supplementary Opinions”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Listing Rules”) and other laws and administrative regulations.~~

Shanghai Bio-heart Biological Technology Co., Ltd. was established on 18 July 2014, and was completely converted to a joint stock company on 8 December 2020 with its original shareholders as the promoters of the joint stock company, namely, Winning Powerful Limited, Philip Li Wang, Winning Forward International Limited, Shanghai Xinbang Yihao Enterprise Management Consulting L.P., Shanghai Baihate Enterprise Management Consulting L.P. (Limited Partnership), Shanghai Baixinantong Enterprise Management Consulting L.P. (Limited Partnership), Tibet Zhenshan Venture Capital Investment L.P. (Limited Partnership), Ningbo Meishan Bonded Port Jiami Investment L.P. (Limited Partnership), Xiangdong Lyu, Suzhou Chenzhide Investment L.P. (Limited Partnership), Shanghai Zhangjiang Technology Venture Investment Co., Ltd., Qianhai Equity Investment Fund (Limited Partnership), Suzhou Industrial Park Xinjianyuan

Phase III Venture Capital L.P. (Limited Partnership), YuanBio Venture Capital L.P., Magic Grace Limited, CMV HK Limited, Beijing Cuiweikechuang Equity Investment Fund Center (Limited Partnership), Zhongyuan Qianhai Equity Investment L.P. (Limited Partnership), LVC Revitalization Limited, TPG ASIA VII SF PTE. LTD., Worldwide Healthcare Trust Plc, OrbiMed Genesis Master Fund, L.P., OrbiMed New Horizons Master Fund, L.P.

**Article 2** Registered Chinese name of the Company: 上海百心安生物技術股份有限公司.

English name: Shanghai Bio-heart Biological Technology Co., Ltd.

**Article 3** Domicile of the Company: Room 302, 3/F, Building 4, No.590 Ruiqing Road, East Zhangjiang Hi-Tech Park, Pudong New Area, Shanghai  
Postal code: 201203

Telephone number: 021-68798511

The operating period of the Company commenced on July 18, 2014 (without a fixed term)

**Article 4** The legal representative of the Company is the Chairman of the Board or the Managing Director of the Company.

**Article 5** ~~The Company is a joint stock company with limited liability and of permanent existence.~~ The Company is a joint stock limited company initiated and established, and the enterprise type is a joint stock limited company (Hong Kong, Macao and Taiwan investment, listed). Shareholders are liable to the Company to the extent of the shares they subscribe for, and the Company is liable for its debts with all its assets.

**Article 6** The Company firmly abides by national laws, regulations and the provisions of the Articles of Association, safeguards the national interests and public interests of the society, and accepts supervision by relevant government authorities.

The Company establishes Communist Party organizations and carries out Party activities in accordance with the provisions of the Party Constitution. The Company provides the necessary conditions for the activities of the party organization.

The Company is an independent enterprise legal person, and all acts of the Company shall comply with the laws, regulations and regulatory documents of China and the legal rights of the shareholders shall be protected. The Company is under the jurisdiction and protection of the laws, regulations and regulatory documents of China.

**Article 7** The Articles of Association shall be passed at the shareholders' general meeting of the Company by special resolution before becoming

effective from the date on which the overseas-listed shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") subject to approval of relevant authorities of China and shall supersede the existing articles of association of the Company filed with the administration authorities for market regulation. All actions of the Company must abide by and comply with the Company Law, the Special Provisions and the provisions of this Articles of Association.

**Article 8**

The Articles of Association as amended in the future shall be a legally binding public document that regulates the Company's organization and activities, the rights and obligations between the Company and its shareholders as well as among the shareholders once it goes into effect. The Articles of Association shall be binding on the Company and its shareholders, directors, supervisors, general manager and other senior management. Pursuant to the Articles of Association, the shareholders may take actions against the Company; the Company may take actions against the shareholders, directors, supervisors and senior management; and the shareholders may sue the shareholders; and the shareholders may take actions against the directors, supervisors, managers and other senior management of the Company. Other senior management, as referred to in the Articles of Association, means the Vice General Managers, the secretary of the Board of Directors and the chief financial officer of the Company.

**Article 9**

The actions referred to in the preceding article shall include legal proceedings instituted in courts or the application to arbitration institutions for arbitration. Other members of senior management referred to in the preceding article and in the Articles of Association include Vice General Managers, the Chief Financial Officer and the secretary of the Board.

~~The Articles of Association shall be binding on the Company, its shareholders, Directors, Supervisors, General Manager and other members of senior management. All persons mentioned above shall have the rights to refer to the Articles of Association for claims regarding affairs related to the Company. Shareholders may institute legal proceedings against the Company; the Company may institute legal proceedings against its shareholders; shareholders may institute legal proceedings against other shareholders, Directors, Supervisors, General Manager and other members of senior management as per the Articles of Association.~~

~~The legal proceedings referred to in the preceding paragraph shall include legal proceedings instituted in courts or the application to arbitration institutions for arbitration.~~

~~Other members of senior management referred to in the preceding paragraph and in the Articles of Association include Vice General Managers, the Chief Financial Officer and the secretary of the Board.~~

**Article 10** The Company may invest in other companies with limited liability or joint stock companies with limited liability, and shall be liable to the investee companies to the extent of its capital contribution.

**Article 11** All the capital of the Company shall be divided into shares of equal value and shareholders' liability shall be limited to their shares in the Company. The Company shall be liable for its debt with all of its assets.

**Article 12** The Company's employees may form trade unions and carry out trade union activities to protect their legal rights. The Company shall provide necessary support to such activities.

## **Chapter 2 Business objectives and Scope of Business and Method of Company Establishment**

**Article 13** The business objectives of the Company are to strengthen cooperation and exchanges between all parties in the field of medical device production and sales, and to realize gratifying returns for its shareholders.

The Company is established as a joint-stock limited company through the method of initiation.

**Article 14** Registered in accordance with the law, the company's scope of business: Research and development of biological products, pharmaceutical products and pharmaceutical intermediates, transferring self-developed technologies, and the provision of related technical consultation and technical services; wholesale, import and export, commissioned agency (excluding auction) of chemical raw materials and products (excluding dangerous chemicals, restricted chemicals, fireworks and firecrackers, civil explosives and drug-making chemical), instruments and electronic products, and the provision of related ancillary services (not involving commodities subject to state-owned trade management, applications in accordance with the relevant state regulations to be made in relation to commodities subject to quota and license management; the operation of activities under certain projects may only be commenced with the approval from relevant departments in accordance with law). Licensing Item: Class III medical device manufacturing.

**Article 15** The Company may change its scope of business and amend the Articles of Association in accordance with law upon registration of change with the Shanghai Municipal Administration for Market Regulation and with the approvals from shareholders at shareholders' general meetings and the relevant competent authorities.

### Chapter 3 Shares and Registered Capital

**Article 16** The Company shall have ordinary shares at all times. The Company may create other classes of shares according to its needs upon approval from the vetting department authorized by the State Council. The Company's shares take the form of stock certificates.

**Article 17** Shares issued by the Company all have a par value of RMB1 per share (Unless otherwise specified, all amounts in the Articles of Association are stated in RMB).

**Article 18** The shares of the Company shall be issued in accordance with the open and fair principles that same class of each share shall enjoy equal rights. The issue terms and price per share of the same class in the same issue shall be the same; the same price shall be paid for each share of the same class during the same share issue subscribed for by any entities or individuals.

**Article 19** The Company may issue shares to both domestic and foreign investors subject to the approval from the China Securities Regulatory Commission (hereafter referred to as the "CSRC").

Foreign investors referred to in the preceding paragraph shall mean investors from foreign countries, Hong Kong, Macao and Taiwan who subscribe for shares issued by the Company; domestic investors shall mean investors from the People's Republic of China except the foregoing regions who subscribe for shares issued by the Company.

**Article 20** Domestic shares refer to the shares denominated in RMB issued by the Company to domestic investors. Foreign shares refer to the shares denominated in foreign currencies issued by the Company to overseas investors. Subject to the approval of the CSRC and overseas securities regulatory agencies, domestic shares and unlisted foreign shares that can be listed and traded on overseas stock exchanges and overseas listed foreign shares are the same class of shares, which are collectively referred to as "overseas listed shares".

The term "foreign currency" in the preceding paragraph shall refer to the lawful currency freely convertible in other countries or regions (other than RMB), which is recognized by state foreign exchange authority and acceptable to pay for the shares.

Among the foreign shares, those listed overseas are referred to as overseas listed foreign shares (of which those listed in Hong Kong can be referred to as H shares, which are listed on the Hong Kong Stock Exchange upon approval with a par value denominated in RMB and are subscribed and traded in Hong Kong dollars); those unlisted overseas are referred to as non-listed foreign shares.

Unless otherwise specified in the Articles of Association, holders of domestic shares and foreign shares are both holders of ordinary shares and shall have the same rights and obligations.

Subject to the approval of the CSRC and overseas securities regulatory agencies, shareholders of non-listed shares of the Company may have their shares listed and dealt in overseas; domestic shareholders and holders of unlisted foreign shares of the Company may transfer all or part of their shares held to overseas investors for listing and trading on overseas stock exchanges; all or part of the domestic shares and unlisted foreign shares of the Company may be converted into overseas-listed shares that can be listed and traded on overseas securities exchange(s). The above-mentioned shares converted, or upon conversion, for listing and trading on overseas stock exchanges are also subject to the regulatory procedures, provisions and requirements of overseas securities markets. The above-mentioned listing and trading of converted shares on overseas stock exchanges, or conversion of domestic shares and unlisted foreign shares into overseas-listed shares for listing and trading on overseas stock exchanges, are not required to be approved by voting in a general meeting or class meeting of shareholders. After domestic shares and unlisted foreign shares are converted into overseas-listed shares, they become the same class of shares as original overseas-listed foreign shares.

**Article 21**

As approved by the company's vetting department that is authorized by the State Council, the total number of shares of the Company is 243,937,000 shares, the amount of each share is RMB1 (RMB), and the registered capital is RMB243,937,000. The share capital structure of the Company is: ordinary share 243,937,000 shares. The Company issued 220,000,000 shares to its promoters at its establishment, representing 100% of the total number of its ordinary shares in issue, at RMB1 per each share. The specific issuance status regarding names of each promoter and shareholder, shareholdings and percentage is as follows: the Company issued 45,645,584 shares to Winning Powerful Limited, accounting for 20.7480% of The Company's total ordinary shares in issue; issued 7,713,678 shares to Philip Li Wang, accounting for 3.5062% of the Company's total ordinary shares in issue; issued 5,900,492 shares to Winning Forward International Limited, accounting for 2.6820% of the Company's total ordinary shares in issue; issued 4,326,959 shares to Shanghai Xinbang Yihao Enterprise Management Consulting L.P. (Limited Partnership), accounting for 1.9668% of the Company's total ordinary shares in issue; issued 27,962,081 shares to Shanghai Baixinantong Enterprise Management Consulting L.P. (Limited Partnership), accounting for 12.7100% of the Company's total ordinary shares in issue; issued 16,717,998 shares to Tibet Zhenshan Venture Capital Investment L.P. (Limited Partnership),

accounting for 7.5991% of the Company's total ordinary shares in issue; issued 4,012,209 shares to Ningbo Meishan Bonded Port Jiami Investment L.P. (Limited Partnership), accounting for 1.8237% of the Company's total ordinary shares in issue; issued 118,010 shares to Xiangdong Lyu, accounting for 0.0536% of the Company's total ordinary shares in issue; issued 9,954,710 shares to Suzhou Chenzhide Investment L.P. (Limited Partnership), accounting for 4.5249% of the Company's total ordinary shares in issue; issued 1,966,806 shares to Shanghai Zhangjiang Technology Venture Investment Co., Ltd., accounting for 0.8940% of the Company's total ordinary shares in issue; issued 2,814,766 shares to Qianhai Equity Investment Fund (Limited Partnership), accounting for 1.2794% of the Company's total ordinary shares in issue; issued 5,577,993 shares to Suzhou Industrial Park Xinjianyuan Phase III Venture Capital L.P. (Limited Partnership), accounting for 2.5355% of the Company's total ordinary shares in issue; issued 3,418,776 shares to YuanBio Venture Capital L.P., accounting for 1.5540% of the Company's total ordinary shares in issue; issued 12,223,098 shares to Magic Grace Limited, accounting for 5.5560% of the Company's total ordinary shares in issue; issued 1,349,893 shares to CMV HK Limited, accounting for 0.6136% of the Company's total ordinary shares in issue; issued 482,106 shares to Beijing Cuiweikechuang Equity Investment Fund Center (Limited Partnership), accounting for 0.2191% of the Company's total ordinary shares in issue; issued 771,367 shares to Zhongyuan Qianhai Equity Investment L.P. (Limited Partnership), accounting for 0.3506% of the Company's total ordinary shares in issue; issued 9,983,037 shares to LVC Revitalization Limited, accounting for 4.5377% of the Company's total ordinary shares in issue; issued 25,402,420 shares to Shanghai Baihate Enterprise Management Consulting L.P. (Limited Partnership), accounting for 11.5466% of the Company's total ordinary shares in issue; issued 20,753,025 shares to TPG ASIA VII SF PTE. LTD., accounting for 9.4332% of the Company's total ordinary shares in issue; issued 10,323,992 shares to Worldwide Healthcare Trust Plc, accounting for 4.6927% of the Company's total ordinary shares in issue; issued 1,032,400 shares to OrbiMed Genesis Master Fund, L.P., accounting for 0.4693% of the Company's total ordinary shares in issue; issued 1,548,600 shares to OrbiMed New Horizons Master Fund, L.P., accounting for 0.7039% of the Company's total ordinary shares in issue.

**Article 22**

Pursuant to the approval of the CSRC and the Hong Kong Stock Exchange, the Company may issue no more than 27,527,500 shares of overseas listed foreign shares with a par value of RMB1 per share, all of which are ordinary shares.



Pursuant to the approval of the CSRC, 8 of the foreign shareholders of the Company, namely TPG ASIA VII SF PTE. LTD., Magic Grace Limited, YuanBio Venture Capital L.P., CMV HK Limited, LVC Revitalization Limited, Worldwide Healthcare Trust Plc, OrbiMed Genesis Master Fund, L.P., OrbiMed New Horizons Master Fund, L.P., converted 37,669,116 shares of their non-listed foreign shares of the Company into overseas listed foreign shares (H shares).

Upon the initial public offering of overseas listed foreign shares and the conversion of certain unlisted foreign shares into overseas listed foreign shares (H shares), the shareholding structure of the Company is as follows: 243,937,000 ordinary shares, of which 100,107,425 shares are domestic shares, accounting for 41.0382% of the ordinary shares of the Company; 82,223,459 shares are unlisted foreign shares, accounting for 33.7068% of the ordinary shares of the Company; 61,606,116 shares are H shares, accounting for 25.2549% of the ordinary shares of the Company.

**Article 23** Subject to the approval of the plans of the Company to issue overseas listed shares and domestic shares by the CSRC and authorization at a shareholders' general meeting, the Board of Directors of the Company may arrange for a separate issuance of such shares. According to the requirements stated in the preceding paragraph, the Company may implement the plan of issuing overseas-listed shares and domestic shares separately within 15 months from the date of approval from the CSRC.

**Article 24** The Company shall complete issuing overseas listed foreign shares and domestic shares within the number fixed in the plan at one time; if this cannot be achieved due to exceptional circumstances, the Company may issue the same in several attempts upon the approval from the CSRC.

**Article 25** After the completion of the issuance of the aforementioned H shares, the registered capital of the Company shall be RMB243,937,000.

**Article 26** The Company may, based on its requirements for operation and development and in accordance with the relevant provisions of the Articles of Association, increase its capital.

The Company may increase its capital by way of:

- (I) public offering of shares;
- (II) non-public offering of shares;

- (III) distributing bonus shares or placing new shares to its existing shareholders;
- (IV) converting the reserve funds into share capital;
- (V) any other means approved by laws, administrative regulations and the CSRC.

The Company's increase of capital by issuing new shares shall, after being approved in accordance with the procedures set forth in the Articles of Association, be conducted in accordance with the procedures stipulated by relevant laws and administrative regulations of China and the Listing Rules.

**Article 27**

The Company may dispose of the shares of any untraceable shareholder and retain the proceeds, if:

- (I) during a period of 12 years, dividends in respect of the shares in question have been distributed at least three times and no dividend has been claimed; and
- (II) upon expiry of the 12-year period, the Company has given notice of its intention to dispose of the shares by way of an advertisement in newspapers, and has notified the CSRC and the relevant overseas securities regulatory authorities of the place where the Company's shares are listed.

**Article 28**

The Company's shares held by the promoters of the company shall not be transferred within one year from the date of the inception of the Company. The shares in issue prior to the Company's public offering of shares shall not be transferred within one year from the date of the listing and trading of the Company's shares on the Stock Exchange.

During their terms of office, directors, supervisors and other senior management members of the Company shall report to the Company their shareholdings in the Company and changes therein and shall not transfer in a given year during their terms of office more than 25% of the total number of shares of the Company held by them; the shares of the Company held by them shall not be transferred within one year from the first day on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer the shares of the Company held by them within six months from the date when they leave office.

If a shareholder, director, supervisor, or senior executive who owns more than five percent of the Company's shares sells the Company's shares or other securities of an equity nature held by him/her within six months of the date of purchase or buys them again within six months of the date of sale, the proceeds therefrom shall belong to the Company, and the Board of Directors of the Company shall recover the proceeds therefrom.

Shares or other securities of an equity nature held by directors, supervisors, senior management, and shareholders of natural persons referred to in the preceding paragraph, including those held by their spouses, parents and children and those held using the accounts of others.

#### **Chapter 4 Capital Reduction and Repurchase of Shares**

**Article 29** The Company may reduce its registered capital according to the Articles of Association.

**Article 30** The Company shall prepare a balance sheet and a list of assets when reducing its registered capital.

The Company shall notify its creditors within 10 days from the date of the Company's resolution for reduction of registered capital and shall publish a notice in a newspaper within 30 days from the date of such resolution. A creditor has the right within 30 days from the date of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within 45 days from the date of the notice, to demand the Company to repay its debts or provide a corresponding guarantee for repayment of such debt.

The Company's registered capital after reduction shall not be less than the statutory minimum amount.

**Article 31** The Company shall not acquire shares of the Company. However,~~the~~ The Company may, subject to the approval of the relevant governing authorities of China, and according to the procedures set forth in the Articles of Association, repurchase its outstanding shares under the following circumstances:

- (I) reducing the Company's registered capital;
- (II) merging with other companies that hold shares in the Company;
- (III) granting the shares for the employee shareholding scheme or as share incentives;

- (IV) shareholders who disagree with the resolutions for the merger and separation of the Company made in a shareholders' general meeting may demand the Company to purchase their shares;
- (V) using the shares for the purpose of exchanging for convertible bonds issued by listed companies;
- (VI) where it is necessary for the listed company to safeguard its value and shareholders' interests;
- (VII) other circumstances as permitted by the laws, administrative regulations, regulations of the authorities and regulatory rules where the Company's shares are listed.

Repurchase of the Company's shares for reasons set out in Clauses (I) and (II) of this Article shall be subject to resolution at a shareholders' general meeting. Repurchase of the Company's shares for reasons set out in Clauses (III), (V) and (VI) of this Article shall obtain approval from a Board meeting where over two-thirds of the directors are present, in accordance with provisions of the Articles of Associations or the authorization by the Board, unless otherwise provided for in the Listing Rules.

After the Company has repurchased its shares in accordance with Clause (I) of this Article, such shares shall be cancelled within 10 days after repurchase, or shall be transferred or cancelled within 6 months in the circumstances set out in Clauses (II) and (IV), or shall be transferred or cancelled within three years in the circumstances set out in Clauses (III), (V) and (VI) provided that the aggregate number of company shares held by the Company shall not exceed 10% of the total number of issued shares of the Company.

Where the Company repurchases its own shares, it shall fulfill the obligation of information disclosure in accordance with the Securities Law. Acquisition of the Company's shares by the Company may be carried out through open and centralized trading or in other ways recognized by laws, administrative regulations, the Listing Rules and other securities regulatory rules of the place where the Company's shares are listed and the CSRC. Where the Company repurchases its own shares under the circumstances as required in Clauses (III), (V) and (VI) of the first paragraph of this Article, it shall be carried out by open and centralized trade.

The Company shall not accept its shares being held as security under a pledge.

Where the relevant laws and regulations, regulatory documents and relevant provisions of the securities regulatory authority at the places where the Company's shares are listed have any other provisions in respect of the matters relating to the aforesaid share buyback, such provisions shall prevail.

**Article 32** Subject to the approval by relevant governing authorities of China, the Company may repurchase its shares by the following means:

- (I) by making a general offer to all of its shareholders for the repurchase of shares on a pro rata basis;
- (II) through public dealing on a stock exchange;
- (III) by an off-market agreement;
- (IV) other means as approved by laws, administrative regulations and regulatory authorities.

**Article 33** If the Company repurchases its shares by concluding an off-market agreement, it shall obtain prior approval at a shareholders' general meeting pursuant to the Articles of Association. Upon approval in the same manner at the shareholders' general meeting, the Company may discharge or amend the said agreement or waive any of its rights thereunder.

The off-market agreement for the repurchase of shares referred to in the preceding paragraph shall include, but not limited to, a document to become obliged to repurchase and acquire the right to repurchase shares.

The Company shall not assign the agreement for the repurchase of its shares or any rights thereunder.

In respect of the Company's repurchase of its shares, if the repurchase is made not on the market or through tender, the repurchase price shall not exceed a specified price limit, and if the repurchase is made through tender, the offer shall be made to all shareholders.

**Article 34** After the Company repurchases shares in accordance with law, it shall cancel or transfer such shares in accordance with laws and administrative regulations, and shall apply to the Market Supervision Administration of Pudong New Area, Shanghai for change in registered capital or shareholding and make announcement accordingly.

The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.

**Article 35**

Unless the Company is undergoing liquidation, it shall repurchase its outstanding shares pursuant to the rules below:

- (I) Where the Company repurchases shares at par value, payment shall be made from the surplus of its distributable profits or from the proceeds of a new issue for that purpose;
- (II) Where the Company repurchases shares of the Company at a premium to its par value, payment up to the par value shall be made from the surplus of its distributable profits or from the proceeds of a new issue for that purpose. Payment of the portion in excess of par value shall be effected as follows:
  - (1) if the shares being repurchased are issued at par value, payment shall be made from the surplus of its distributable profits;
  - (2) if the shares being repurchased were issued at a premium to its par value, payment shall be made from the surplus of its distributable profits or from the proceeds of a new issue for that purpose, provided that the amount paid from the proceeds of such new issue shall not exceed the aggregate amount of the premiums received by the Company on issuance of the shares so repurchased or the balance of the Company's capital reserve account (including the premiums on the new issue) at the time of such repurchase.
- (III) The Company shall make payments with its distributable profits for the following expenses:
  - (1) for acquisitions of rights to repurchase its own shares;
  - (2) for the variation of any agreement for the repurchase of its shares;
  - (3) for release from its obligations under any repurchase agreement.
- (IV) After the total par value of the shares that are cancelled is deducted from the Company's registered capital, the amount equal to the par value of its shares deducted from its distributable profits shall go to the Company's capital reserve account.

Where the laws, regulations, regulatory documents and relevant provisions of the securities regulatory authority at the places where the Company's shares are listed have any other provisions in respect of the matters relating to the aforesaid share buyback, such provisions shall prevail.

### **Chapter 5 Financial Assistance for the Purchase of the Company's Shares**

**Article 36** The Company or its subsidiaries (including its affiliates) shall not offer any financial assistance to anyone who is acquiring or is proposing to acquire shares of the Company by any means at any time. The said purchaser of the Company's shares shall include a person who directly or indirectly assumes any obligations incurred for the acquisition of such shares.

The Company and its subsidiaries shall not, by any means at any time, provide any financial assistance to the said obligor as referred to above for the purpose of limiting or discharging the obligations assumed by that person.

This Article shall not be applicable to the circumstances described in Article 38.

**Article 37** The financial assistance described in this Chapter shall include but not be limited to the means below:

- (I) gifts;
- (II) guarantees (including the guarantor to undertake the liability or offer assets to secure the obligor's performance of obligations), compensation (not including compensation arising out of the Company's own defaults), or release or waiver of any right;
- (III) provisions of loans or any other agreements where the Company shall fulfil the obligations prior to other parties, or changes in the said loans or parties to agreements, or the assignment of the rights under such loans or agreements;
- (IV) any other financial assistance provided by the Company in the event that the Company is insolvent or possesses no net assets, or in the event that its net assets would thereby be reduced to a material extent.

For the purpose of this Chapter, “assuming any obligations” shall include obligations assumed by contract or any arrangement (whether enforceable or unenforceable, and whether made on its own account or with any other persons) or by any other means that result in a change in financial position.

**Article 38**

The following cases shall be exempted from Article 36 of this Chapter:

- (I) the provision of financial assistance by the Company where the financial assistance is provided in good faith in the interests of the Company, and the principal purpose of which is not for the acquisition of the Company’s shares, or the provision of financial assistance being an incidental part to a plan of the Company;
- (II) the lawful distribution of the Company’s assets in the form of dividends;
- (III) the distribution of dividends in the form of shares;
- (IV) a reduction of registered capital, a repurchase of shares or a reorganization of the shareholding structure effected according to the Articles of Association;
- (V) the provision of loans by the Company within its scope of business and in the ordinary course of the business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, financial assistance is provided from distributable profits of the Company);
- (VI) the provision of monetary assistance for contributions to staff and workers’ stock plans (provided that the net assets are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided from distributable profits of the Company).

**Chapter 6 Share Certificates and Register of Shareholders****Article 39**

The share certificates of the Company shall be in registered forms.

In addition to the matters required by the Company Law and the Special Provisions, the share certificates of the Company shall also contain other matters required by the stock exchange(s) on which the Company’s shares are listed.



During the period when the H shares are listed on the Hong Kong Stock Exchange, the Company must ensure that all of the documents relating to the title to the securities listed on the Hong Kong Stock Exchange (including H shares) include the statements as follows. The Company shall instruct and procure the share registrars not to register the subscription, purchase or transfer of share in the name of any individual holder unless and until he submits such properly executed forms to the share registrars which shall include the statements as follows:

- (1) agreements among the purchaser of the share, the Company and each shareholder, and between the Company and each shareholder, have been reached to comply with and in accordance with the Company Law, the Special Provisions and other laws, administrative regulations and the Articles of Association.
- (2) the purchaser of the shares and the Company, each of the shareholders, Directors, Supervisors, General Manager and other members of senior management of the Company, as well as the company acting on behalf of the PRC issuer and each director, supervisor, general manager and other members of senior management, agree with each shareholder that all of the disputes and claims arising from the Articles of Association, or any rights and obligations stipulated in the Company Law and other relevant laws and administrative regulations relating to the Company, shall be referred to arbitration in accordance with the Articles of Association. Any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and to publish its award which is final.
- (3) the purchaser of the shares, the Company and each shareholder agree that the shares of the Company may be freely transferable by the holder.
- (4) the purchaser of the shares authorizes the Company to reach an agreement on behalf of him with each of the directors, General Manager and other members of senior management to authorize such directors, General Manager and other members of senior management to comply with and perform their duties to the shareholders in accordance with the Articles of Association.

**Article 40**

Share certificates shall be signed by the Chairman of the Board of Directors. In the event that the stock exchange(s) on which the Company's shares are listed require the signatures of other members of senior management of the Company on the share certificates, the share

certificates shall also be signed by such members of senior management. The share certificates shall be effective upon being affixed or printed with the seal of the Company or other securities seals specified. The share certificates shall only be sealed with the Company's seal under the authorization of the Board, or signed by appropriate staff members with legal authority. The signatures of the Chairman of the Board of the Company or other members of senior management may be printed. Under the conditions of paperless listing and trading of the Company's shares, separate regulations of the securities supervisory and regulatory authorities and stock exchanges where the Company's shares are listed shall apply.

Where power is taken to issue share warrants to bearer, no new share warrant shall be issued to replace one that has been lost, unless the issuer is satisfied beyond reasonable doubt that the original has been destroyed.

**Article 41**

The Company shall have a register of shareholders based on the certificates provided by the securities registration institution to record the following matters:

- (I) the name (title), address (residence), occupation or nature of business of each shareholder;
- (II) the number and class of the shares of each holder;
- (III) The payment made or payable amount for the shares of each holder;
- (IV) the certificate numbers of the shares of each holder;
- (V) the date on which each shareholder is entered in the register as a shareholder of the Company;
- (VI) the date on which each shareholder ceases to be a shareholder of the Company.

Unless there is evidence to the contrary, the register of shareholders shall be sufficient evidence of the shareholders' shareholdings in the Company. Shareholders shall have rights and obligations according to the type of shares they hold; shareholders holding shares of the same type shall have the same rights and obligations.

Where two or more persons are registered as joint shareholders of any shares, they should be deemed as joint owners of relevant shares subject to the followings:

- (I) the Company does not have to register more than 4 persons as joint shareholders of any shares;

- (II) the joint shareholders shall, together or individually, pay the amounts payable for relevant shares;
- (III) if any of the joint shareholders dies, only the surviving joint shareholders may be deemed as holders of relevant share of the Company, but the Board of Directors is entitled to require the death certificate which it considers to be proper as regard to the amendment to the register of shareholders; and
- (IV) with regard to the joint shareholders for any share, only the person whose name is at the first place on the register of shareholders has the rights to receive the certificate of relevant shares and notice from the Company and to attend or exercise all of the votes relating to the shares at a shareholders' general meeting of the Company. The notice which is serviced on the abovementioned person should be deemed to be serviced on all of the joint shareholders of relevant shares.

**Article 42**

When the Company convenes a shareholders' meeting, distributes dividends, engages in liquidation and engages in other acts that require the identification of shareholders, the Board of Directors or the convenor of the shareholders' meeting shall determine the date of registration of shareholdings, and the shareholders whose names appear on the register after the close of business on the date of registration of shareholdings shall be the shareholders entitled to the relevant rights and interests.

**Article 423**

The Company may maintain the register of holders of overseas-listed shares and appoint an overseas agent to manage the register of shareholders in accordance with the memorandum of understanding or agreement concluded with the CSRC and overseas securities regulatory authorities. The original register of holders of overseas-listed shares listed in Hong Kong shall be maintained in Hong Kong.

A duplicate copy of the register of holders of overseas-listed shares shall be maintained at the Company's residence. The appointed overseas agent(s) shall at all times ensure consistency between the original and the duplicate copies of the register of holders of overseas-listed shares.

In the event of any inconsistency between the original and the duplicate copy of the register of holders of overseas-listed shares, the original register of shareholders shall prevail.

**Article 434** The Company shall maintain a complete register of shareholders.

The register of shareholders shall include:

- (I) the register of shareholders that is maintained at the Company's residence (other than those share registers described in Clause (II) and Clause (III) below);
- (II) The register of holders of overseas-listed shares of the Company kept at the place where the overseas stock exchange on which the shares are listed is located;
- (III) The register of shareholders kept at such other place as the Board of Directors may deem necessary for the purpose of listing of the Company's shares.

**Article 445** Different parts of the register of shareholders shall not duplicate one another. No transfer of the shares registered in any part of the register shall, during the continuance of that registration, be registered in any other part of the register of shareholders.

Alteration or rectification of each part of the register of shareholders shall be carried out in accordance with the laws of the place where such part of the register of shareholders is maintained.

**Article 456** Unless otherwise stipulated in the laws, regulations, the Listing Rules and the Articles of Association of the Company, fully paid-up shares of the Company shall be free from any restriction on the right of transfer and shall also be free from all liens. The transfer of H shares is subject to the registration by the local stock registration agency in Hong Kong appointed by the Company. If any fees are required to be collected in respect of such registration, the amount of such fees shall not exceed the maximum amount prescribed by the Listing Rules from time to time.

All fully paid-up H shares can be freely transferred according to the Articles of Association. However, the Board of Directors may refuse to recognize any instrument of transfer without giving any reasons, unless the following conditions are fulfilled:

- (I) a fee specified by the Listing Rules has been paid to the Company for registration of any instrument of transfer or any other document which is related to or will affect ownership of the shares;
- (II) the instrument of transfer only involves H shares;

- (III) the stamp duty payable on the instrument of transfer has been paid in full;
- (IV) the relevant share certificates and any evidences in relation to the right of the transferor to transfer such shares as reasonably requested by the Board of Directors have been provided;
- (V) if the shares are to be transferred to joint holders, the maximum number of registered joint holders shall not exceed four;
- (VI) the Company does not have any lien on the relevant shares.

**Article 467**

Following share transfer, the name of the transferee shall be registered in the register of shareholders as holders of shares.

If the Company refuses to register any transfer of shares, the Company shall within two months of formal application for the transfer provide the transferor and transferee with a written notice of refusal to register such transfer.

**Article 478**

All issue or subsequent transfer of H shares shall be registered in the register of shareholders maintained in Hong Kong in accordance with Article 423.

**Article 489**

Any shareholder of overseas-listed shares may transfer all or part of his/her shares using an instrument of transfer in the common written format in the place of listing or an instrument of transfer signed under hand or bearing machine printing signatures. H shares may be transferred using the standard transfer form specified by the Hong Kong Stock Exchange. If the transferor or transferee is a recognized clearing house as defined by the Hong Kong Securities and Futures Ordinance or its agent, the instrument of transfer may be signed by hand or in mechanically-printed form. All transfer of Company shares held by shareholders of non-listed foreign shares shall be effected in accordance with relevant Chinese laws and regulations.

All instruments of transfer shall be kept at the legal address of the Company, the address of the share registrar or other addresses designated by the Board of Directors from time to time.

**Article 4950**

Laws, regulations or the securities regulatory authorities and stock exchanges where the Company's shares are listed. Where there are provisions on the suspension of the registration of changes in the register of shareholders prior to the convening of a general meeting or prior to the date on which the Company decides to distribute dividends, such provisions shall apply accordingly. ~~No share transfer may be entered in the register of shareholders within 30 days prior to~~

~~the date of a shareholders' general meeting or within 5 days before the record date set by the Company for the purpose of distribution of dividends.~~

**Article 501** ~~When the Company convenes a shareholders' meeting, distributes dividends, engages in liquidation and engages in other acts that require the recognition of shareholdings, the Board of Directors or the convenor of the shareholders' meeting shall determine the date of the shareholders' registration, and the shareholders whose names appear on the register after the close of business on the date of the shareholders' registration shall be the shareholders entitled to the relevant rights and interests. the Board of Directors shall set a date for ascertainment of the shareholding. Upon the close of such date, the shareholders who appear in the register of shareholders shall be deemed as the shareholders of the Company.~~

**Article 512** Any person who requests to have his name entered to, or removed from, the register of shareholders may apply to the relevant court of authority for rectification of the register of shareholders.

**Article 523** Any shareholder who is registered in, or any person who requests to have his name entered in, the register of shareholders may, if his share certificates ("~~Original Certificates~~") are lost, apply to the Company for a replacement share certificate in respect to such shares ("~~Relevant Shares~~").

**Article 534** Applications for a replacement share certificate by shareholders of domestic shares and non-listed foreign shares shall be addressed pursuant to Article 143 of the Company Law.

**Article 545** Applications for a replacement share certificate by holders of overseas listed shares shall be addressed pursuant to the laws, the rules of the stock exchange, or other relevant regulations of the jurisdiction in which the original register of holders of overseas-listed shares is maintained.

**Article 55** ~~If a holder of H shares loses his share certificates and applies for their replacement, the issue of replacement certificates to that holder shall comply with the following requirements:~~

- ~~(f) The applicant shall submit an application in standard form as prescribed by the Company accompanied by a notarial document or statutory declaration. The notarial document or statutory declaration shall specify the grounds upon which the application is made and the circumstances and evidence of the loss of the share certificates as well as a statement declaring that no other person shall be entitled to request to be registered as the shareholder in respect to the Relevant Shares.~~

- (H) ~~No statement has been received by the Company from any person other than the applicant for having his name registered as a holder of the Relevant Shares before the Company came to a decision to issue the replacement certificates.~~
- (HH) ~~The Company shall, if it decides to issue a replacement certificate to the applicant, make an announcement of its intention to issue the replacement certificate in such newspapers designated by the Board of Directors. The announcement shall be made at least once every 30 days over a period of 90 days.~~
- (IV) ~~The Company shall, prior to the publication of the announcement of its intention to issue a replacement certificate, deliver to the stock exchange where it shares are listed a copy of the announcement to be published. The Company may publish the announcement upon receiving a confirmation from the stock exchange that the announcement has been exhibited at its premises. The announcement shall be exhibited at the premises of stock exchange for a period of 90 days.~~
- ~~In case an application to issue a replacement certificate has been made without the consent of the registered holder of the Relevant Shares, the Company shall send by post to such registered holder a copy of the announcement to be published.~~
- (V) ~~If, upon expiration of the 90-day period for announcement and exhibition referred to in Clauses (HH) and (IV) of this Article, the Company has not received from any person any objection to the issuance of replacement certificates, the Company may issue replacement certificates to the applicant according to his application.~~
- (VI) ~~Where the Company issues a replacement certificate under this Article, it shall forthwith cancel the Original Certificate and enter the cancellation and replacement issue into the register of shareholders accordingly.~~
- (VII) ~~All expenses relating to the cancellation of an Original Certificate and the issuance of a replacement certificate by the Company shall be borne by the applicant. The Company may refuse to take any action until a reasonable undertaking is provided by the applicant therefor.~~

**Article 56** ~~Where the Company issues a replacement certificate pursuant to the Articles of Association, the name of a bona fide purchaser who obtains the aforesaid replacement certificate or a shareholder who thereafter registers as the owner of such shares (in the case where he is a bona fide purchaser) shall not be removed from the register of shareholders.~~

**Article 57**6 The Company shall not be liable to any person for any damages caused by the cancellation of the Original Certificate or the issuance of the replacement certificate, unless the claimant is able to prove that the Company has acted fraudulently.

~~In case of issuing warrants to unregistered holders, no new warrants may be issued in place of the lost ones unless the Company confirms, beyond all reasonable doubts, the original warrants have been destroyed.~~

## Chapter 7 Rights and Obligations of Shareholders

**Article 58**7 A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is entered in the register of shareholders.

A shareholder shall enjoy rights and assume obligations according to the class and numbers of shares held by that shareholder. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations. All classes of shareholders of the Company shall have equal rights in any distribution in the form of a dividend or any other form.

**Article 59**8 Holders of ordinary shares of the Company shall have the following rights:

- (I) The right to receive dividends and other distributions in proportion to the number of shares held;
- (II) to request, convene, preside over, attend or appoint a proxy to attend general meetings of shareholders in accordance with the law, and to exercise the right to speak and vote (unless individual shareholders are required by the relevant listing rules of the place of listing of the Company to abstain from voting on individual matters)~~the right to attend Shareholders' Meeting either in person or by proxy and exercise the voting right;~~
- (III) the right to supervise, advise or inquire the operating activities of the Company;



- (IV) the right to transfer, grant or pledge its shares in accordance with laws and administrative regulations and the Company's Articles of Association;
- (V) the right to be provided with relevant information in accordance with provisions of the Articles of Association, including:
1. to obtain a copy of the Articles of Association, subject to payment of the cost;
  2. to inspect and to make duplicate copies, subject to payment at a reasonable charge, of the followings:
    - (1) all parts of the register of shareholders;
    - (2) personal profiles of the Company's Directors, Supervisors, General Manager and other members of senior management including:
      - ① their present and former names and aliases;
      - ② their principal addresses (residence);
      - ③ their nationalities;
      - ④ their full-time and all other part-time occupations and duties;
      - ⑤ their identification documents and the numbers thereof;
    - (3) report(s) on the Company's share capital;
    - (4) the latest audited financial report, the report of the Board of Directors, the report of auditors, and the report of the Board of Supervisors of the Company (broken down by domestic shares and foreign shares);
    - (5) special resolutions of the Company;

- (6) report(s) showing the aggregate par value, number, maximum and minimum price paid with respect to each class of shares repurchased by the Company since the end of the last financial year, and the aggregate amount incurred by the Company for this purpose;
- (7) a copy of the annual inspection report that has been filed with the Administration for Industry and Commerce's Market Supervision Department or other competent authorities in China; and
- (8) minutes of shareholders' general meetings, resolutions of Board meetings, and resolutions of the Board of Supervisors' meetings.

The Company shall make available the documents mentioned in Clauses (1) to (8) other than Clause (2) above and other applicable documents at its Hong Kong office for inspection, free of charge, by the public and shareholders in accordance with requirements of the Listing Rules (the documents mentioned in Clause (8) shall be available for inspection by shareholders only).

3. Inspection of the Articles of Association, register of shareholders, corporate bond stubs, minutes of general meetings, resolutions of meetings of the Board of Directors, resolutions of meetings of the Board of Supervisors, financial and accounting reports.

Shareholders demanding inspection of the relevant information or copies of the materials mentioned above shall provide the Company with written documents indicating the class and number of shares they hold in the Company. After confirmation of the shareholder's identity, the Company shall provide such information based on the request of the shareholder.

- (VI) the right to receive distribution of the remaining assets proportional to the number of shares held when the Company dissolves or liquidates;
- (VII) the repurchase is made at the request of its shareholders to repurchase their shares who disagree with shareholders' resolutions passed at a shareholders' general meeting in connection with a merger or division on the premise of fulfilling the requirements under the Company's Articles of

Association and the relevant laws and regulations on the Company's share buyback procedures;

- (VIII) shareholders who individually or collectively hold more than 3% of the Company's shares shall have the rights to propose interim resolutions and submit them in writing to the Board 10 days prior to the general meeting;
- (IX) other rights conferred by the laws, administrative regulations, departmental regulations, listing rules of the place where the Company's shares are listed or the Articles of Association of the Company.

The Company shall not otherwise stay or infringe any rights attached to any shares on the sole basis that the holders of such shares with direct or indirect interests in such shares have failed to disclose the said interests to the Company.

If any director or senior management personnel violate laws, administrative regulations, or the provisions of the Articles of Association, thereby harming the interests of shareholders, the shareholders may file a lawsuit in the People's Court.

**Article 6059**

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

- (I) to abide by the laws, administrative regulations and the Articles of Association;
- (II) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (III) not to withdraw his share capital unless required by laws or administrative regulations;
- (IV) not to abuse their shareholders' rights to harm the Company's or other shareholders' interests and not to abuse their independent status of the Company as a legal person and the limited liability of shareholders to harm the interests of the Company's creditors. If a shareholder abuses its shareholder rights and causes a loss to the Company or other shareholders, he shall be held liable for damages in accordance with the law. If a shareholder abuses the Company's independent legal person status or his limited liability as a shareholder to evade and repudiate debts, thereby materially impairing the interests of the Company's creditors, he shall bear joint and several liability for the debts of the Company;
- (V) any other obligations imposed by laws, administrative regulations and the Articles of Association.

Shareholders are not liable to make any further contribution to the share capital other than as agreed by the subscriber of the relevant shares on subscription.

A shareholder of the Company who abuses the rights of shareholders to cause losses to the Company or other shareholders shall be liable for compensation in accordance with the law. If the shareholders of the Company abuse the independent status of the Company's legal personality and the limited liability of the shareholders to evade debts and seriously jeopardize the interests of the Company's creditors, they shall be jointly and severally liable for the debts of the Company.

If a shareholder holding more than five percent of the Company's voting shares pledges his or her shares, he or she shall make a written report to the Company from the date of such fact.

**Article 610**

In addition to the obligations imposed by laws, administrative regulations or listing rules of the stock exchange upon which the Company's shares are listed, a controlling shareholder (as defined in the following clause) shall not exercise his voting rights in respect to the following matters in a manner prejudicial to the interests of all or some of the shareholders of the Company:

- (I) to relieve a director or supervisor of his duty to act honestly in the best interests of the Company;
- (II) to approve the directors or supervisors (for their own account or for the account of other parties) to deprive the Company of its assets in any manner, including, but not limited to, any opportunity favorable to the Company;
- (III) to approve the directors or supervisors (for their own account or for the account of other parties) to deprive another shareholder of his individual interest, including but not limited to any allocation right and voting right, but excluding any corporate restructuring proposal made at the shareholders' general meeting in accordance with the Articles of Association.

**Article 61**

The controlling shareholders and de facto controllers of the Company shall not take advantage of their affiliation to harm the interests of the Company. If the violation causes damage to the Company, it shall be liable for compensation. The controlling shareholders and de facto controllers of the Company have a duty of good faith to the Company and the shareholders of the Company's public shares. Controlling shareholders shall exercise the rights of contributors in strict accordance with the law, and controlling shareholders shall not make use of profit distribution, asset reorganization, foreign investment,

capital appropriation, loan guarantees, etc. to harm the legitimate rights and interests of the Company and the shareholders of public shares, and shall not make use of their controlling position to harm the interests of the Company and the shareholders of public shares.

**Article 62**

For the purposes of the above Article, a “controlling shareholder” means a shareholder who satisfies any one of the following conditions:

- (I) any person acting on his own or in concert with other parties has the power to elect not less than half of the directors;
- (II) any person acting on his own or in concert with other parties who has the power to exercise or control the exercise of 30% or more of the voting rights of the Company;
- (III) any person acting on his own or in concert with other parties who holds 30% or more of the outstanding shares of the Company;
- (IV) any person acting on his own or in concert with other parties who has actual control over the Company in any other manner;
- (V) Shareholders whose holdings of ordinary shares (including preferred shares with restored voting rights) account for more than 50 percent of the total share capital of the Company; and shareholders whose holdings of shares are less than 50 percent but whose voting rights based on their holdings are sufficient to have a significant influence on the resolutions of the general meeting of shareholders;
- (VI) Other circumstances as deemed by the securities regulatory authorities of the place where the Company’s shares are listed.

**Chapter 8 Shareholders’ General Meetings****Article 63**

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

**Article 64**

The shareholders’ general meeting shall have the following functions and powers:

- (I) to decide the Company’s operational directions and investment plans;

- (II) to elect and replace directors and supervisors who are not employee representatives, and decide on matters related to the remuneration of directors and supervisors~~to elect and replace directors and to determine matters relating to the remuneration of the directors;~~
- ~~(III) to elect and replace shareholders' representative Supervisors, and decide on matters relating the remuneration of the relevant Supervisors;~~
- ~~(III<sup>V</sup>)~~ to examine and approve reports of the Board of Directors;
- ~~(IV)~~ to examine and approve reports of the Board of Supervisors;
- ~~(V<sup>I</sup>)~~ to examine and approve the Company's annual preliminary and final financial budgets;
- ~~(V<sup>II</sup>)~~ to examine and approve the Company's profit distribution and loss recovery plans;
- ~~(V<sup>III</sup>)~~ to decide on the increase or reduction of the Company's registered capital;
- ~~(V<sup>III</sup>)~~ to decide on such matters as merger, division, dissolution,  
\*) liquidation or change in the form of the Company;
- ~~(IX<sup>X</sup>)~~ to decide on the issuance of debentures by the Company;
- ~~(X<sup>X</sup><sup>I</sup>)~~ to decide on the engagement, dismissal or non-reappointment of the Company's accounting firm;
- ~~(X<sup>I</sup>)~~ to amend the Articles of Association;  
~~X<sup>II</sup>)~~
- ~~(X<sup>II</sup>)~~ to consider any motions raised by shareholders who hold 3% or  
~~X<sup>III</sup>)~~ more of the voting shares of the Company;
- ~~(X<sup>III</sup>)~~ to consider the approval of guarantees under article 65;
- ~~(X<sup>IV</sup>)~~ to consider the purchase or sale of material assets by the Company within one year that exceeds thirty percent of the Company's total audited assets for the most recent period;
- ~~(X<sup>V</sup>)~~ to consider equity incentive plans and employee stock ownership plans;

(XVI) other matters which are required to be determined at the  
XIV) shareholders' general meeting as required by laws, administrative regulations and the Articles of Association.

**Article 65**

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

- (I) the total amount of external guarantees provided by the Company and the Company's controlled subsidiaries exceeds fifty percent of the latest audited net assets of the Company and its controlled subsidiaries;
- (II) the total amount of external guarantees provided by the Company exceeds thirty percent of the latest audited net assets of the Company;
- (III) the total amount of external guarantees provided by the Company within one year exceeds thirty percent of the latest audited net assets of the Company;
- (IV) provide to guarantee recipients with gearing ratios in excess of seventy percent;
- (V) the amount of a single guarantee exceeds 10 percent of the latest audited net assets of the Company;
- (VI) guarantees provided to shareholders, de facto controllers and their related parties.

**Article 656**

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

**Article 667**

A general meeting shall either be an annual general meeting or an extraordinary general meeting. Annual general meetings shall be held once every year and within 6 months from the close of the preceding accounting year.

The Board of Directors shall convene an extraordinary general meeting within 2 months from the occurrence of any of the following circumstances:

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

- (II) when the unrecovered losses of the Company amount to one third of the total amount of its share capital;
- (III) when shareholder(s) holding 10% or more of the Company's outstanding shares carrying voting rights request(s) in writing the convening of an extraordinary general meeting, under the principle of one share, one vote;
- (IV) when deemed necessary by the Board of Directors or when requested by the Board of Supervisors;
- (V) when two or more independent non-executive Directors propose to convene;
- (VI) other circumstances specified in the laws and regulations, the listing rules of the stock exchange where the Company's shares are listed, or this Articles of Association.

In the event of the aforesaid Clauses (III), (IV) and (V), the topics of the meeting proposed by the convening requester shall be included in the agenda of the meeting.

The location for the Company's general meeting is: The actual office address of the Company or such other place as may be specified in the notice of the general meeting. The general meeting will have a venue and will be held as a live meeting. The Company may also facilitate shareholders' participation in the general meeting by providing Internet voting as appropriate. Shareholders are deemed to be present if they participate in the general meeting by the means described above.

**Article 68**

When the Company convenes a general meeting it may, according to the actual situation engage a lawyer to issue a legal opinion on the following issues and make an announcement:

- (I) Whether the procedures for convening and holding meetings are compliance with laws, administrative regulations and the Articles of Association;
- (II) Whether the qualifications of the persons attending the meeting and the qualifications of the convenor are legal and valid;
- (III) Whether the voting procedures and results of the meeting are legal and valid;
- (IV) Legal opinions on other relevant issues issued at the request of the Company.



If there is no mandatory requirement under the Listing Rules and the regulatory rules of the place where the Company's shares are listed, the provisions thereof shall apply.

**Article 69**

The Independent Directors have the right to propose to the Board of Directors to convene an extraordinary general meeting. In response to a proposal from an independent director requesting the convening of an extraordinary general meeting, the Board of Directors shall, in accordance with the provisions of the laws, administrative regulations and the Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of the extraordinary general meeting within ten days of receipt of the proposal. If the Board of Directors agrees to convene an extraordinary general meeting, it will issue a notice of convening the general meeting within five days after the Board of Directors' resolution is made; if the Board of Directors does not agree to convene an extraordinary general meeting, it will state the reasons and make an announcement.

**Article 70**

The Board of Supervisors shall have the right to propose to the Board of Directors to convene an extraordinary general meeting and shall submit its proposal in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of the extraordinary general meeting within ten days after receiving the proposal.

If the Board of Directors agrees to convene an extraordinary general meeting of shareholders, a notice of the meeting shall be issued within five days after the Board resolution is made. Any changes to the original proposal in the notice must obtain the consent of the Supervisory Committee.

If the Board of Directors does not agree to convene an extraordinary general meeting, or fails to provide feedback within ten days of receipt of the proposal, it shall be deemed that the Board of Directors is unable to fulfill or fails to fulfill its duty to convene the general meeting, and the Board of Supervisors may convene and preside over the meeting itself.

**Article 71**

Shareholders who individually or collectively hold ten percent or more of the shares of the Company shall have the right to request the Board of Directors to convene an extraordinary general meeting and shall submit their request in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide

written feedback on whether it agrees or disagrees with the convening of an extraordinary general meeting within ten days after receiving the request.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of the convening of the general meeting within five days after the Board of Directors' resolution has been made, and any changes to the original request contained in the notice shall be subject to the consent of the relevant shareholders.

If the Board of Directors does not agree to convene an extraordinary general meeting, or fails to provide feedback within ten days after receiving the request, the shareholders who individually or collectively hold more than ten percent of the Company's shares have the right to propose to the Board of Supervisors to convene an extraordinary general meeting, and shall submit their request in writing to the Board of Supervisors.

If the Board of Supervisors agrees to convene an extraordinary general meeting, it shall issue a notice of convening the general meeting within five days of receipt of the request, and any changes to the original request contained in the notice shall be subject to the consent of the shareholders concerned.

If the Board of Supervisors fails to give notice of a general meeting within the prescribed period, it shall be deemed that the Board of Supervisors does not convene and preside over the general meeting, and that shareholders who have held, individually or in the aggregate, more than ten percent of the Company's shares for more than ninety (90) consecutive days may do so themselves.

**Article 72**

If the Board of Supervisors or shareholders decides to convene a general meeting, the Board of Supervisors or the shareholders shall notify the Board of Directors in writing and at the same time file a record with the Stock Exchange. The shareholding of the convening shareholders shall not be less than ten percent prior to the announcement of the resolution of the general meeting. The Board of Supervisors or the convening shareholder shall submit the relevant supporting documents to the Stock Exchange when issuing the notice of the general meeting and the announcement of the resolution of the general meeting.

**Article 73**

The Board of Directors and the Secretary of the Board of Directors shall cooperate with the general meeting convened by the Board of Supervisors or the shareholders themselves. The Board of Directors shall provide a register of shareholders as at the date of the share register.

**Article 6774** When the Company convenes the annual general meeting, a written notice of the meeting shall be provided in no less than twenty days prior to the date of the meeting to notify all the shareholders registered in the register of shares with respect to the matters to be considered, and the date and the place of the meeting. When the Company convenes the extraordinary general meeting, a written notice of the meeting shall be provided in no less than fifteen days prior to the date of the meeting to notify all the shareholders registered in the register of shares with respect to the matters to be considered, and the date and the place of the meeting.

**Article 6875** For a general meeting convened by the Board of Supervisors or by the shareholders themselves, the Company shall bear the expenses necessary for the meeting.~~At the general meeting held by the Company, shareholders severally or jointly holding 3% or more of the total voting shares of the Company are entitled to propose new resolutions in writing to the Company. The Company shall place such resolutions on the agenda for such meeting if they are matters falling within the scope of duties of the shareholders' general meeting.~~

**Article 6976** A annual general meeting, extraordinary general meeting shall not transact business not stated in the notice of meeting.

**Article 7077** Notice of the shareholders' general meeting shall:

- (I) be given in writing;
- (II) specify the time, place and date of the meeting;
- (III) set out the matters and proposals to be considered at the meeting;
- (IV) provide shareholders with such information and explanation as necessary for them to make informed decisions on the matters to be considered. This principle includes, but is not limited to, a merger proposal, share repurchase, share capital restructuring or other restructuring. The specific terms and contract (if any) of the proposed transaction shall be provided, and the cause and effect of such proposal shall be properly explained;
- (V) disclose the nature and extent of the material conflict of interest, if any, of any director, supervisor, general manager and other senior management officer in the matters to be considered; and provide an explanation of the differences, if any, between the way in which the matter to be considered will affect such director, supervisor, general manager and other

senior management officer in his/her capacity as shareholders and the way in which such matter will affect other shareholders of the same class;

- (VI) contain the full text of any special resolution proposed to be passed at the meeting;
- (VII) contain a clear statement that all holders of ordinary shares (including preferred shareholders whose voting rights have been restored) are entitled to attend the general meeting and may appoint proxies in writing to attend and vote at the meeting, and that such proxies need not be shareholders of the Company ~~a shareholder entitled to attend and vote has the right to appoint one or more proxies to attend and vote on his behalf and that such proxy need not be a shareholder of the Company;~~
- (VIII) specify the time and place for lodging proxy forms for the relevant meeting;
- (IX) state the name and telephone number of the permanent connected person;
- (X) shareholder registration date for shareholders entitled to attend the general meeting;
- (XI) voting times and procedures for voting on the Internet or by other means.

A copy of the directors' report, accompanied by the balance sheet (including every document required by law to be annexed thereto) and profit and loss account or income and expenditure account, or the summary financial report shall, at least 21 days before the date of the shareholders' general meeting, be delivered to every member ~~be delivered or sent by post to the registered address of every member.~~

**Article 718**

After the notice of the general meeting has been given, the general meeting shall not be postponed or canceled without a valid reason, and the proposals specified in the notice of the general meeting shall not be canceled. In the event of postponement or cancellation, the convenor shall make an announcement at least two working days prior to the original convening date and state the reasons.

~~Notice of a shareholders' general meeting shall be served on shareholders (whether or not entitled to vote at the shareholders' general meeting) by personal delivery or prepaid mail to their addresses as shown in the register of shareholders. For the holders of domestic, notice of the meeting may be issued by way of public notice.~~

~~The aforesaid public notice shall be published in one or more newspapers designated by the security's regulatory authorities of the State Council 15 days before the date of the extraordinary general meeting or 20 days before the date of the annual general meeting. After the publication of such notice, the holders of domestic shares shall be deemed to have received the notice of the relevant shareholders' general meeting.~~

**Article 79**

Where a general meeting intends to discuss matters relating to the election of directors and supervisors, the notice of the general meeting of shareholders shall fully disclose the details of the candidates for directors and supervisors, including at least the following:

- (I) Personal information such as educational background, work experience and part-time jobs;
- (II) Whether there is any connection with the Company or the Company's controlling shareholders and de facto controllers;
- (III) Disclosure of the number of shares held in the Company;
- (IV) Whether it has been penalized by the China Securities Regulatory Commission and other relevant authorities and disciplined by the stock exchange.

In addition to the adoption of the cumulative voting system for the election of directors and supervisors, each candidate for director or supervisor shall be submitted as a single proposal.

**Article 80**

The contents of a proposal shall fall within the terms of reference of the general meeting, have a clear topic and specific matters for resolution, and be in compliance with the relevant provisions of laws, administrative regulations and the Articles of Association.

**Article 81**

When the Company convenes a general meeting, the Board of Directors, the Supervisors Board, and shareholders who individually or collectively hold more than three percent of the Company's shares shall have the right to submit proposals to the Company. The Company shall include in the agenda of a general meeting those matters contained in the proposal that are within the scope of the duties of the general meeting. Shareholders who individually or collectively hold more than three percent of the Company's shares may make a provisional proposal and submit it in writing to the convenor ten days prior to the date of the general meeting. The convenor shall send a supplementary notice of the general meeting to announce the contents of the provisional proposal within two days of receipt of the proposal.

Except for the cases stipulated in the preceding paragraph, the convenor shall not amend the proposals already set forth in the notice of the general meeting or add new proposals after the issuance of the notice of the general meeting announcement.

No vote shall be taken and no resolution shall be made at the General Meeting on any proposal which is not set forth in the notice of the General Meeting or which does not comply with the provisions of Article 82 of the Articles of Association.

**Article 782**

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

**Article 783**

Any shareholder entitled to attend and vote at a shareholders' general meeting shall be entitled to appoint one or more persons (whether a shareholder or not) as his/her proxy to attend and vote on his/her behalf. According to the appointment of the shareholder, a proxy so appointed shall:

- (I) have the same right as the shareholder to speak at the meeting;
- (II) have right to individually or jointly in demanding a poll;
- (III) have the right to vote by hand or on a poll, but when more than one proxy has been appointed, the proxies only have the right to vote on a poll.

**Article 784**

The proxy form shall be in writing, either to be executed by the appointer or by power of attorney. Should the appointer be a legal entity, then such proxy form shall be executed with the company seal or by its Directors or the legal representative.

The form of proxy appointing another person to attend a shareholders' general meeting produced by a shareholder shall state the following:

- (I) name of the proxy;
- (II) whether he/she has the voting right;
- (III) instructions as to vote for or vote against or abstain from voting in relation to each matter on the agenda to be examined at the shareholders' general meeting;
- (IV) issuing date and validity period of the proxy form;

- (V) signature (or chop) of the appointor. If the appointor is a domestic corporate shareholder, the corporation's seal shall be affixed;
- (VI) the number of shares represented by each proxy on behalf of each appointer;

If several persons are authorized as the proxies of the shareholder, the proxy form shall specify the number of the shares to be represented by each proxy.

If the shareholder is an authorized clearing house or its agent as defined in the relevant regulation, such shareholder is entitled to authorize one or more persons as his proxy at any shareholders' general meeting or any class meeting as he thinks fit. However, if more than one person is authorized, the proxy forms shall state clearly the number of shares and the class of shares represented by each of the proxies and be signed by a person empowered by the recognized clearing house. The person so appointed may exercise the rights (without being required to present share certificate, certified statement of proxy and/or further evidence of due authorization) of the recognized clearing house (or its agent) to attend the meeting, as if he was or were (an) individual shareholder(s) of the Company.

**Article 785**

The proxy form shall be maintained at the residence of the Company or at such other locations as specified for that purpose in the notice regarding the convening of the meeting in no less than 24 hours prior to the time of the meeting at which the proxy proposes to vote, or the time appointed for voting. In the event that such instrument is signed by another person authorized by the appointer, the authorization or other authorization instrument shall be notarized, and such notarized authorization or other instrument shall be maintained at the residence of the Company or at such other locations as specified for that purpose in the notice regarding the convening of the meeting at the same time. In the event that an appointer is a legal entity, its legal representative or such person as authorized by a resolution of its Board of Directors or other governing body may attend the shareholders' general meeting of the Company in the capacity of a representative.

**Article 786**

Any form issued to a shareholder by the Board of Directors of the Company for the appointment of a proxy by the shareholder shall enable the shareholder to instruct the proxy to vote for or against each resolution with respect to businesses to be transacted at the meeting. Such forms shall contain a statement which states that, in the absence of instructions by the shareholder, the proxy may vote in his/her own discretion.

**Article 787** Where the appointer has died, became incapacitated to act, withdrawn the appointment or the power of attorney, or where the relevant shares have been transferred prior to voting, a vote given by the proxy in accordance with the power of attorney shall remain valid until written notice of such event has been received by the Company.

**Article 788** The Board of Directors and other conveners of the Company shall take necessary measures to ensure the normal order of the General Meeting. Measures will be taken to stop any interference with the general meeting, provocation and infringement of the legitimate rights and interests of shareholders and shall be promptly reported to the relevant authorities for investigation and handling. A proxy who attends a shareholders' general meeting on behalf of a shareholder shall produce his identification document. If a shareholder who is a legal person appoints its legal representative to attend the meeting, the legal representative shall produce his identification document and a notarially certified copy of the resolution or form of proxy of the Board of Directors or other governing body of the legal person (other than a recognized clearing house or its nominee) authorizing the legal representative).

**Article 89** All common shareholders (including preferred shareholders whose voting rights have been restored) or their proxies registered on the share registration date shall have the right to attend the general meeting and exercise their voting rights in accordance with the relevant laws and regulations and the Articles of Association.

Shareholders may attend the general meeting in person or appoint a proxy to attend and vote on their behalf.

**Article 7890** If an individual shareholder attends the meeting in person, he/she shall present his/her ID card or other valid documents or certificates that can indicate his/her identity, and his/her stock account card; if he/she entrusts another person to act as his/her proxy to attend the meeting, he/she shall present his/her valid ID card and the shareholder's power of attorney;

Legal shareholders shall be represented at the meeting by their legal representatives or proxies entrusted by the legal representatives. If the legal representative attends the meeting, they must present their ID card and valid proof of their qualification as the legal representative; if a proxy attends the meeting, the proxy must present their ID card and a power of attorney issued legally by the legal representative of the corporate shareholder.



Article 91            The Company shall be responsible for the production of the meeting register of those attending the meeting. The register of the meeting shall contain the names (or unit names) of the persons attending the meeting, their identity card numbers, the number of shares held or represented by them with the right to vote, and the names (or unit names) of their proxies, etc.

Article 92            The Convener and the attorney hired by the Company shall jointly verify the legitimacy of the shareholders' qualifications based on the register of shareholders provided by the securities registrar and clearing house, and register the names (or titles) of the shareholders and the number of shares for which they hold voting rights. Registration for the meeting shall be closed until the presiding officer of the meeting announces the number of shareholders and proxies present on-site at the meeting and the total number of shares holding voting rights.

Article 93            When a general meeting is convened, all Directors, Supervisors and the Secretary of the Board of Directors of the Company shall be authorized to attend the meeting.

Article 94            The general meeting shall be presided over by the Chairman of the Board of Directors. If the Chairman of the Board Of Directors is unable to perform his or her duties or fails to perform his or her duties, the vice chairman of the board of directors (in the case of the Company having two or more vice chairmen, the vice chairman of the board of directors jointly elected by more than half of the directors) shall preside over the meeting, and in the case of the vice chairman of the board of directors being unable to perform his or her duties or failing to perform his or her duties, a director jointly elected by more than half of the directors shall preside over the meeting.

The Chairman of the Board of Supervisors shall preside over the general meeting convened by the Board of Supervisors itself. In the event that the Chairman of the Board of Supervisors is unable to perform his/her duties or does not perform his/her duties, a Supervisor jointly elected by more than half of the Supervisors shall preside over the meeting.

In the case of a general meeting convened by the shareholders themselves, the convener shall elect a representative to preside over the meeting.

If the presiding officer of a general meeting violates the Rules of Procedure to prevent the general meeting from continuing, the general meeting may elect a person to act as the presiding officer and continue the meeting with the consent of the shareholders present at the general meeting on-site with a majority of the voting rights.

**Article 95**

The Company may formulate rules of procedure for the general meeting in accordance with the actual situation, setting out in detail the procedures for convening and voting at the general meeting, including notification, registration, deliberation of proposals, voting, counting of votes, announcement of voting results, formation of resolutions at the meeting, minutes of the meeting and their signatures, and announcements, etc., as well as the principle of authorization of the general meeting to the Board of Directors, and the content of such authorization shall be clear and specific. The Rules of Procedure of the General Meeting shall be annexed to the Articles of Association, drawn up by the Board of Directors and approved by the general meeting.

**Article 96**

At the annual general meeting, the Board of Directors and the Board of Supervisors shall report to the general meeting on their work in the past year. Each independent director shall also make a debriefing report. If there is no mandatory requirement under the Listing Rules and the regulatory rules of the place where the Company's shares are listed, the provisions thereof shall apply.

**Article 97**

Directors, supervisors and senior management shall provide explanations and clarifications on shareholders' inquiries and suggestions at general meetings.

**Article 98**

The presiding officer of the meeting shall announce the number of shareholders and proxies attending the meeting on-site and the total number of shares holding voting rights before voting, and the number of shareholders and proxies attending the meeting on-site and the total number of shares holding voting rights shall be based on the registration of the meeting.

**Article 99**

The general meeting shall have minutes, which shall be taken by the Secretary of the Board of Directors. The minutes record the following:

- (I) the time, place and agenda of the meeting and the name or names of the convenor;
- (II) the name of the presiding officer of the meeting and the directors, supervisors, general manager and other senior management attending or present at the meeting;

- (III) the number of shareholders and proxies attending the meeting, the total number of shares holding voting rights and the percentage of the total number of shares of the Company;
- (IV) consideration of each proposal, highlights of statements and voting results;
- (V) shareholders' queries or suggestions and the corresponding replies or explanations;
- (VI) the names of the attorneys and tellers and scrutineers;
- (VII) other elements that should be included in the minutes as provided for in the Articles of Association.

**Article 100**

The convenor shall ensure that the contents of the minutes are true, accurate and complete. The directors, supervisors, secretary of the Board of Directors, the convenor or his/her representative, and the presiding officer of the meeting who are present at the meeting shall sign the minutes of the meeting. The minutes of the meeting shall be kept together with the register of signatures of shareholders attending on-site and the power of attorney for proxy attendance, as well as the valid information on voting by internet and other means, for a period of not less than ten years.

**Article 101**

The Convener shall ensure that the general meeting is held continuously until a final resolution is reached. In the event that the general meeting of shareholders is suspended or a resolution cannot be made due to force majeure or other special reasons, necessary measures shall be taken to resume the convening of the general meeting as soon as possible or to directly terminate the current general meeting, and a timely announcement shall be made. At the same time, the convenor shall report to the dispatching authorities of the China Securities Regulatory Commission and the stock exchange where the company is located.

**Article 79102**

Resolutions of shareholders' general meetings are classified as ordinary resolutions and special resolutions.

Ordinary resolutions of the shareholders' general meeting shall be passed by more than one half of the voting rights represented by the shareholders (including proxies) present at the meeting.

Special resolutions of the shareholders' general meeting shall be passed by more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting.

**Article 80103** Shareholders (including proxies) shall exercise their voting rights in accordance with the number of shares with voting rights represented by them, and each share entitles the shareholder one voting right at the shareholders' general meeting.

Where any shareholder is required under the Listing Rules to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, he shall abstain from voting according to such regulations, and any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

**Article 81** ~~Any vote of shareholders at a shareholders general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by show of hands.~~

~~If the chairman of the meeting decides to vote by show of hands, at any shareholders' general meeting, a resolution shall be decided on a show of hands unless a poll is demanded before or after any voting by show of hands by:~~

- ~~(I) the chairman of the meeting;~~
- ~~(II) at least two shareholders, who possess the right to vote, present in person or by proxy;~~
- ~~(III) one or more shareholders (including proxies) representing, either calculated separately or in aggregate, one-tenth or more of all shares carrying the right to vote at the meeting.~~

~~Unless a poll be so demanded, a declaration by the chairman of the meeting that a resolution has on a show of hands been passed and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favor of or against such resolution passed in the meeting.~~

~~A demand for a poll may be withdrawn by the person who made the demand.~~

**Article 82104** A poll demanded on such matters as the election of chairman or the adjournment of the meeting shall be taken immediately. A poll demanded on any other matter shall be taken at such time during the meeting as the chairman directs, and the meeting may proceed to discuss other matters. The results of the poll to be taken shall still be deemed to be a resolution passed at that meeting.

**Article 83105** On a poll taken at a meeting, a shareholder (including a proxy) entitled to two or more votes need not cast all his votes in the same way.

**Article 84106** In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall have a casting vote.

**Article 85107** The following matters shall be resolved by way of ordinary resolutions at a shareholders' general meeting:

- (I) work reports of the Board of Directors and the Board of Supervisors;
- (II) plans for profit distribution and recovery of losses drafted by the Board of Directors;
- (III) appointment or removal of members of the Board of Directors and the Board of Supervisors, and their remuneration and method of payment thereof;
- (IV) the Company's annual financial budgets and final accounts, balance sheets, income statements and other financial statements;
- (V) the annual report of the Company;
- (VI) the resolution on the Company's engagement, dismissal or non-renewal of the accounting firm and the accounting firm's remuneration or remuneration recognition method;
- (VII) any matters other than those required by the laws, administrative regulations or the Articles of Association to be approved by special resolution.

**Article 86108** The following matters shall be approved by special resolutions at a shareholders' general meeting:

- (I) increase or reduction of the share capital, and issue of any class of shares, warrants and other similar securities of the Company;
- (II) issuance of debentures of the Company;
- (III) demerger, merger, dissolution and liquidation of the Company, and change of corporate form of the Company;
- (IV) amendment to the Articles of Association;

- (V) consideration of any acquisition or disposal of any material asset (including, but not limited to, land, houses, equipment, production lines, equity) or the aggregated amount of guarantee which exceeds 30% of the latest audited total assets of the Company for the most recent year;
- (VI) Equity incentive plans;
- (VII) any other matters prescribed by laws, administrative regulations or the Articles of Association, as well as any other matters which, in the opinion of the general meeting passed by an ordinary resolution, will have a material impact on the Company and which need to be passed by a special resolution.

“Within one year” stated above refers to “within one fiscal year”.

**Article 87109**

Shareholders requesting the convening of extraordinary general meetings or class meetings shall follow the procedures listed below:

- (I) Shareholders individually or jointly holding 10% or more of the shares carrying voting rights at the meeting sought to be held may sign one or more written requests of identical form of content requesting the Board of Directors to convene an extraordinary general meeting or a class meeting and stating the subject of the meeting. The Board of Directors shall convene an extraordinary general meeting or a class meeting as soon as possible after having received the aforesaid written request. The abovementioned shareholding shall be calculated as of the day on which the written request is made.
- (II) Where the Board fails to issue notice of convening meeting within 30 days upon receipt of the above written request, shareholders who make such request may request the Board of Supervisors to convene the extraordinary general meeting or class shareholders’ meeting.
- (III) Where the Board of Supervisors fails to issue notice of convening meeting within 30 days upon receipt of the above written request, shareholder(s), for more than 90 consecutive days, individually or collectively holding more than 10% of the shares carrying voting rights at the meeting to be convened may convene the meeting on their own accord within four months upon the Board having received such request. The convening procedures shall, to the extent possible, be identical to procedures according to which general meetings are to be convened by the Board.

All reasonable expenses incurred for such meeting convened by the shareholders ~~or Board of Supervisors~~ as a result of the failure of the Board of Directors to convene a meeting as required by the above request(s) shall be borne by the Company and be set off against sums owed by the Company to the defaulting directors or supervisors.

**Article 88** ~~A shareholders' general meeting shall be convened and presided by the chairman of the Board of Directors. If the chairman of the Board cannot attend the meeting for any reason, the Board shall designate a director of the Company to convene and preside over the meeting. If no chairman of the meeting has been so designated, shareholders present shall choose one person to be chairman of the meeting. If for any reason the shareholders fail to elect a chairman, the shareholder (including his/her proxy) attending the meeting and holding the largest number of shares vested with voting rights shall be the chairman of the meeting.~~

**Article 89**110 The meeting chair shall determine whether a resolution at a shareholders' general meeting has been passed. His/her decision, which is final and conclusive, shall be announced at the meeting and recorded in the minutes of the meeting.

**Article 90**111 If the meeting chair has any doubt as to the result of any resolution put to the vote, he may have the votes counted. If the meeting chair does not count the votes counted, any attending shareholder or proxy who objects to the result announced by the meeting chair may demand that the votes be counted immediately after the declaration of the voting result, and the meeting chair shall have the votes counted immediately.

**Article 91**112 If votes are counted at the shareholders' general meeting, the counting result shall be recorded in the minutes of the meeting.

~~Minutes shall be kept in respect of all resolutions passed at a shareholders' general meeting and signed by directors present at the meeting.~~

The minutes of the meeting together with the attendance records signed by the attending shareholders and proxy forms shall be kept at the address of the Company.

**Article 92**113 Copies of the minutes of the meeting shall, during business hours of the Company, be open for inspection by any shareholder without charge. If a shareholder demands from the Company a copy of such minutes, the Company shall send a copy to him within 7 days following the receipt of reasonable fees.

**Article 114** If the content of the resolution of the general meeting or the Board of Directors of the Company violates laws or administrative regulations, the shareholders shall have the right to request the People's Court to recognize it as invalid.

If the procedures for convening a meeting or the voting method of the general meeting or the Board of Directors violate the laws, administrative regulations or the Articles of Association, or if the content of a resolution violates the Articles of Association, the shareholders shall have the right to request the People's Court to revoke it within sixty days from the date on which the resolution is made.

**Article 115** When matters relating to connected transactions are considered at a general meeting, connected shareholders shall not participate in the voting, and the number of voting shares represented by them shall not be counted in the total number of valid votes cast; the announcement of the resolution of the general meeting shall fully disclose the votes of the non-connected shareholders.

**Article 116** Except in special circumstances, such as when the Company is in crisis, the Company shall not enter into a contract with a person other than a director, general manager, or other senior executive officer that places the management of the Company's entire or important business in that person's charge, except with the approval of the general meeting by means of a special resolution.

**Article 117** The list of candidates for Directors and Supervisors shall be submitted to the general meeting for voting by way of a proposal.

When voting on the election of Directors and Supervisors at a general meeting, a cumulative voting system may be implemented in accordance with the provisions of the Articles of Association or a resolution of the general meeting.

The cumulative voting system referred to in the preceding paragraph means that in the election of directors or supervisors at a general meeting, each share shall have the same number of voting rights as the number of directors or supervisors to be elected, and the voting rights owned by shareholders may be utilized in a centralized manner. The Board of Directors shall announce to the shareholders the resumes and basic information of the candidate directors and supervisors.



- Article 118** In addition to the cumulative voting system, the general meeting shall vote on all proposals one by one, and if there are different proposals on the same matter, the proposals will be voted on in the order in which they were submitted. The general meeting shall not set aside or withhold a vote on a proposal unless the general meeting is adjourned or is unable to reach a resolution due to special reasons such as force majeure.
- Article 119** The general meeting shall consider proposals without amending them, otherwise the changes in question shall be considered a new proposal and cannot be voted on at the general meeting.
- Article 120** Only one of the on-site, online or other voting methods may be selected for the same voting right. In the event of a duplicate vote on the same voting right, the result of the first vote shall prevail.
- Article 121** The general meeting shall be voted by registered vote.
- Article 122** Before the general meeting votes on a proposal, two representatives of shareholders shall be elected to participate in the counting and supervising of votes, and where there is a relationship with shareholders, the relevant shareholders and their proxies shall not participate in the counting of votes or supervise the counting of votes.
- Article 123** The general meeting shall end on-site no earlier than online or otherwise, and the presiding officer of the meeting shall announce the vote on each proposal and the result thereof, and whether or not the proposal has been adopted on the basis of the result of the vote.
- Before the formal announcement of the voting results, the Company, the tellers, the scrutineers, the major shareholders, the network service provider and other relevant parties involved in the on-site, online and other voting methods of the general meeting shall be under a duty of confidentiality with respect to the voting situation.
- Article 124** Shareholders attending the general meeting shall express one of the following opinions on the proposals submitted for voting: for, against or abstain. The securities registration and settlement institutions, as the nominal holder of stocks traded in the stock markets of the Mainland and Hong Kong under the Connectivity Mechanism, shall not be allowed to make a declaration in accordance with the intention of the actual holder. Votes that are not filled in, incorrectly filled in, illegible, or not cast shall be deemed to be a waiver of the voter's right to vote, and the number of shares held by the voter shall be counted as an "abstention".

**Article 125** Resolutions of the general meeting shall be announced in a timely manner, and the announcement shall set out the number of shareholders and proxies attending the meeting, the total number of shares holding voting rights and their proportion to the total number of voting shares of the Company, the manner of voting, the results of the voting on each proposal and the details of the resolutions adopted.

**Article 126** If a proposal is not passed, or if the current general meeting changes the resolution of the previous general meeting, a special reminder shall be made in the announcement of the resolution of the general meeting.

**Article 127** In the event that a proposal for the election of Directors and Supervisors is approved at a general meeting, the new Directors and Supervisors shall take office at the time when the resolution is approved at the general meeting.

**Article 128** In the event that the general meeting adopts a proposal regarding cash distribution, stock dividends or capitalization of capital surplus, the Company shall implement the specific plan within two months after the general meeting of Shareholders.

## **Chapter 9 Special Procedures for Voting by Class Shareholders**

**Article 93129** Shareholders holding different classes of shares are referred to as class shareholders.

A class shareholder shall enjoy rights and assume obligations in accordance with the laws, administrative regulations and the Articles of Association.

Where the share capital of the issuer includes shares that do not carry voting rights, the words “non-voting” must appear on the name of such shares. Where the share capital includes shares with different voting rights, the name of each class of shares, other than those with the most favorable voting rights, must include the words “restricted voting” or “limited voting”.

**Article 94130** Rights conferred to class shareholders may not be varied or abrogated unless approved by way of a special resolution at a shareholders’ general meeting and by the affected class shareholders at a separate shareholders’ meeting convened in accordance with Articles 96 to 100 hereof.

Subject to the approval of the CSRC and the Hong Kong Stock Exchange, holders of domestic shares, non-listed foreign shares of the Company may transfer all or part of the shares held by them to foreign investors and have the shares listed and traded overseas, or the conversion of all or part of domestic shares into overseas listed foreign shares for listing and trading on overseas stock exchange(s), shall not be deemed as the Company's intention to vary or abrogate the rights of any class of shareholders.

**Article 95131**

The following circumstances shall be deemed to be a variation or abrogation of the rights of shareholders of a particular class:

- (I) To increase or decrease the number of shares of such class, or to increase or decrease the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to the shares of such class;
- (II) To effect a change of all or part of the shares of such class into those of another class or to effect an exchange or create a right of exchange of all or part of the shares of another class into those of such class;
- (III) To remove or reduce the rights in respect to accrued dividends or the cumulative dividends attached to shares of such class;
- (IV) To reduce or remove the preferential rights attached to shares of such class to receive dividends or to the distribution of assets in the event that the Company is liquidated;
- (V) To add, remove or reduce the share conversion rights, options, voting rights, transfer rights, pre-emptive rights or rights to acquire securities of the Company attached to shares of such class;
- (VI) To remove or reduce the rights to receive payables from the Company in a particular currency attached to shares of such class;
- (VII) To create a new class of shares with voting right, distribution right or other privileges equal or superior to those of the shares of such class;
- (VIII) To restrict the transfer or ownership of shares of such class or to impose additional restrictions thereto;
- (IX) To grant the right to subscribe for, or convert into, shares of such or another class;

- (X) To increase the rights and privileges of shares of another class;
- (XI) To make a restructuring scheme which will result in the holders of different classes of shares bearing a disproportionate burden of obligations under such restructuring;
- (XII) To vary or abrogate any provision of this Chapter.

**Article 96132**

Shareholders of the affected class, whether or not otherwise entitled to vote at the shareholders' general meetings, shall nevertheless be entitled to vote at class meetings in respect to matters concerning subparagraphs (II) to (VIII), (XI) and (XII) of Article 95131 hereof, but the interested shareholder(s) shall not be entitled to vote at class meetings.

"Interested shareholder(s)" as mentioned herein means:

- (I) In the case of a repurchase of shares by the Company by pro rata offers to all shareholders or by way of on-market dealing on the Stock Exchange under Article 32 hereof, a "controlling shareholder" as defined in Article 62 hereof;
- (II) In the case of a repurchase of shares by the Company outside the Stock Exchange by way of agreement under Article 32 hereof, a shareholder who is related to the agreement;
- (III) In the case of a restructuring of the Company, a shareholder within a class who bears less than a proportionate liability than other shareholders of such class or who has an interest different from those of other shareholders of such class.

**Article 97133**

Resolutions of a class meeting shall be passed by shareholders present at the meeting representing two-thirds or more of the voting rights in accordance with Article 96132 hereof.

**Article 98134**

In the event that the Company convenes a class meeting, a written notice shall be issued to shareholders whose names appear on the register of shareholders of such class fifteen days prior to the date of the class meeting, specifying the matters proposed to be considered and the date and place of the meeting.

Where the number of shares carrying rights to vote at the meeting held by the shareholders intending to attend the meeting reaches half or more of the total number of shares of such class carrying rights to vote at the meeting, the Company may hold the class meeting based thereon. If it does not reach that percentage, the Company shall within 5 days notify the shareholders again, by way of public announcement, of the matters to be considered at, and the date and place for, the

meeting. Once an announcement has been so made, the Company may convene the class meeting.

If the listing rules of the stock exchange(s) on which the Company's shares are listed have specific provisions, such provisions shall be complied with.

**Article 99135** The notice of the class meeting shall only be served to shareholders entitled to vote thereat.

A class meeting shall be held under procedures as similar as possible to a shareholders' general meeting. The provisions of the Articles of Associations which relate to the convening of shareholders' general meetings shall apply to class meetings.

**Article 10036** In addition to holders of other classes of shares, holders of domestic shares and unlisted foreign shares are deemed to be the same class of shareholders, holders of domestic shares and overseas-listed shares are deemed to be different classes of shareholders, holders of unlisted foreign shares and overseas-listed shares are deemed to be different classes of shareholders.

The special voting procedures for class meetings shall not apply to the following circumstances:

- (I) Where the Company recognises, allocates or issues, upon approval by a special resolution of its shareholders in a general meeting (under an unconditional mandate or subject to terms and conditions provided by the resolution), either separately or concurrently every 12 months, not more than 20% of each of the existing issued domestic shares and overseas-listed shares;
- (II) Where the Company's plan to issue domestic shares and overseas-listed shares at the time of its establishment is implemented within 15 months from the date of approval by the China Securities Regulatory Commission or the securities regulatory authority of the State Council;
- (III) Subject to the approval of the CSRC and the consent of the Hong Kong Stock Exchange, holders of domestic shares, non-listed foreign shares of the Company may transfer all or part of the shares held by them to foreign investors and have the shares listed and traded overseas, or the conversion of all or part of domestic shares or non-listed foreign shares into overseas listed foreign shares for listing and trading on overseas stock exchange(s).

## Chapter 10 Board of Directors

**Article 10137** The Company shall establish a Board of Directors, which shall comprise 6 directors. There shall be 3 executive directors, 3 independent non-executive directors who are not shareholders of the Company and do not hold any positions within the Company. There shall be one chairman of the Board of Directors. The Chairman is elected by the Board of Directors. The proportion of directors on the Board of Directors who are members of senior management and employee representatives should comply with the relevant regulations There may be a vice-chairman. The Chairman and Vice Chairman are elected by the Board of Directors by a majority of all directors.

**Article 10238** Directors shall be elected or replaced by the shareholders in general meeting and may be removed by the shareholders in general meeting before the expiration of their terms of office for a term of three years from the date of their assumption of office until the expiration of the term of office of the current Board of Directors. If a director's term of office expires without a timely re-election, the original director shall still fulfill his/her duties as a director in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association until the re-elected director assumes office. A Director may be re-elected upon expiration of his/her term of office. Directors may be concurrently held by general manager or other senior executives, but the total number of directors concurrently holding the positions of managers or other senior executives, as well as directors held by employee representatives, shall not exceed one-half of the total number of directors of the Company.

A written notification of intent to nominate a director and the candidate's willingness to be nominated should be submitted to the Company no less than seven days before the convention of the shareholders' general meeting.

Subject to the relevant laws and regulations, and the regulatory rules of the local authority where the Company's shares are listed, if the Board of Directors appoints a new director to fill a casual vacancy or as an addition to the Board of Directors, the term of office of the appointed director shall expire at the next shareholders' annual general meeting and shall then be eligible for re-election and re-appointment.

The minimum length of the period, during which notice to the issuer of the intention to propose a person for election as a director and during which notice to the issuer by such person of his willingness to be elected may be given, will be at least 7 days, which will commence the day after the dispatch of the notice of the meeting appointed for such election and end no later than 7 days prior to the date of such meeting.

The chairman of the Board of Directors shall be elected or removed by more than one half of all directors. The term of office of the chairman shall be three years and is renewable upon reelection.

Subject to the relevant laws and administrative regulations, a director may be removed by an ordinary resolution in a shareholders' general meeting, before the expiration of his term of office (but without prejudice to any claim which such director may here for damages under any contract).

A director is not required to hold any shares of the Company.

The number of independent non-executive directors shall not be less than three and shall represent one third or above of the Board of Directors; and at least one independent non-executive director must possess appropriate professional qualification or demonstrate adequate accounting or relevant financial management expertise. Moreover, at least one of the independent non-executive directors must be ordinarily resident in Hong Kong.

In addition, the Board of Directors of the Company shall include at least one-half of external directors.

**Article 10339**

The Board of Directors shall be accountable to the shareholders' general meeting and exercise the following functions and powers:

- (I) To convene the shareholders' general meeting and report to the shareholders' general meeting;
- (II) To implement the resolutions adopted at shareholders' general meetings;
- (III) To decide on the Company's business plans and investment plans;
- (IV) To formulate the Company's annual financial budgets and accounts;
- (V) To formulate the Company's proposals on profit distribution and plan for recovery of losses;
- (VI) To formulate plans to increase or reduce the registered capital of the Company and to issue bonds or other securities of the Company and to list them;

- (VII) To formulate plans for major acquisitions of the Company, acquisition of the Company's shares or mergers, demergers, dissolutions and changes in the form of the Company ~~To formulate plans for merger, demerger, and dissolution of the Company;~~
- (VIII) Within the scope of authorization by the general meeting, to decide on the Company's foreign investment, acquisition and sale of assets, asset mortgages, external guarantee matters, entrusted financial management, connected transactions, external donations and other matters ~~To decide on the establishment of the Company's internal management structure;~~
- (IX) Decide on the establishment of the internal management organization of the Company ~~To appoint or dismiss the Company's general manager; and to appoint or dismiss the deputy general manager and other senior management officers of the Company (including the chief financial officer) pursuant to the nomination of the general manager;~~
- (X) Decide on the appointment or dismissal of the Company's general manager, secretary of the Board of Directors and other senior management personnel, and decide on matters of their remuneration and matters of rewards and punishments; on the basis of the manager's nomination, decide on the appointment or dismissal of the Company's deputy manager, the person in charge of finance and other senior management personnel, and decide on matters of their remuneration and matters of rewards and punishments ~~To formulate the Company's basic management system;~~
- (XI) To formulate the Company's basic management system ~~To formulate proposals for amendment to the Articles of Association;~~
- (XII) To formulate a plan for the amendment of the Company's Articles of Association;
- (XIII) To manage the disclosure matters of the Company;
- (XIV) To propose to the general meeting to engage or replace the accounting firm that audits the Company;
- (XV) To receive reports on the work of the Company's general manager and to inspect the manager's work;



(XVI) Other powers and functions conferred by laws, administrative regulations, departmental rules or these statutes.

~~(XII) To exercise other functions and powers granted by the Articles of Association or the shareholders' general meeting.~~

With the exception of matters specified in sub-paragraphs (VI), (VII) and (XII) which shall be passed by two-thirds or more of the directors, the resolutions of the Board of Directors in respect to any other aforesaid matters may be passed by more than half of all directors.

**Article 10440**

The Board of Directors of the Company shall establish an Audit Committee and relevant specialized committees such as strategy, nomination, remuneration and evaluation as required. Specialized committees are accountable to the Board of Directors and perform their duties in accordance with this Articles of Association and the authority delegated to them by the Board of Directors, and proposals shall be submitted to the Board of Directors for consideration and decision. The members of the specialized committees are all composed of directors, with independent directors constituting the majority of the Audit Committee, Nomination Committee, and Remuneration and Evaluation Committee and serving as convenors, and the convenor of the Audit Committee being an accounting professional. The Board of Directors is responsible for formulating the working procedures of the specialized committees and regulating the operation of the specialized committees.~~The Company shall establish the audit committee, remuneration committee and nomination committee.~~

~~The audit committee of the Company must comprise a minimum of three members, and at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules. The majority of the audit committee members must be independent non-executive directors of the Company. The audit committee must be chaired by an independent non-executive director.~~

~~The Company's remuneration committee shall be chaired by an independent non-executive director and comprise a majority of independent non-executive directors.~~

~~The Company's nomination committee shall be chaired by the chairman of the board or an independent non-executive director and comprise a majority of independent non-executive directors.~~

- Article 141            The Board of Directors of the Company shall give an explanation to the general meeting on the non-standard audit opinion issued by the certified public accountants on the Company's financial reports.
- Article 142            The Board of Directors may establish rules of procedure for the Board of Directors to ensure that the Board of Directors implements the resolutions of the general meeting, improves efficiency and ensures scientific decision-making.
- Article 143            The Board of Directors shall determine the authority of foreign investment, acquisition and sale of assets, pledge of assets, external guarantee matters, entrusted financial management, connected transactions, and external donations, and establish strict review and decision-making procedures; major investment projects shall be evaluated by relevant experts and professionals and reported to the general meeting for approval.
- Article 144            A Director who fails to attend two consecutive meetings of the Board of Directors in person and does not delegate another Director to attend the meeting is deemed unable to fulfill his/her duties, and the Board of Directors shall recommend to the general meeting to remove him/her.
- Article 145            A director may resign before the expiration of his term of office. The resignation of a director shall be submitted in writing to the Board of Directors. Board of Directors shall disclose the situation within two days. In the event that the Company's Board of Directors falls below the quorum due to the resignation of a director, the original director shall still perform the duties of a director in accordance with the laws, administrative regulations, departmental rules and the provisions of the Articles of Association until the re-elected director assumes office. Except for the cases listed in the preceding paragraph, the resignation of a director shall take effect when the resignation report reaches the Board of Directors.
- Article 146            A director whose resignation takes effect or whose term of office expires shall complete all formalities of transfer to the Board of Directors, and his/her duty of loyalty to the Company and the shareholders shall not be discharged after the expiration of his/her term of office and shall remain in force for a reasonable period of time as stipulated in the Articles of Association.
- Article 147            No director shall act on behalf of the Company or the Board of Directors in his or her personal capacity without the provisions of the Articles of Association or the legal authorization of the Board of Directors. When a director acts in his or her personal capacity, he or she shall declare his or her position and identity in advance, where a third party would reasonably believe that the director is acting on behalf of the Company or the Board of Directors.

- Article 148**      A director who violates laws, administrative regulations, departmental rules or the provisions of the Articles of Association in the performance of his/her duties with the Company and causes losses to the Company shall be liable for compensation.
- Article 149**      The independent directors shall act in accordance with the relevant provisions of the laws, administrative regulations, the CSRC and the stock exchanges.
- Article 150**      Shareholders representing more than one-tenth of the voting rights, more than one-third of the Directors or the Board of Supervisors may propose to convene an extraordinary meeting of the Board of Directors. The Chairman of the Board of Directors shall convene and preside over a meeting of the Board of Directors within ten days from the date of receipt of the proposal.
- Article 151**      The Board of Directors shall give notice of an extraordinary meeting of the Board of Directors in the following manner: WeChat, e-mail, in-person delivery, facsimile, special delivery, registered airmail; the time limit for notification of a temporary board meeting is five days before the meeting.
- Article 152**      The notice of a meeting of the Board of Directors shall consist of the following elements:
- (I)      date and place of the meeting;
  - (II)     duration of the meeting;
  - (III)    subject matter and issues;
  - (IV)    the date of the notification.
- Article 153**      A director who is related to an enterprise involved in a matter resolved at a meeting of the Board of Directors shall not exercise his/her voting right on the resolution, nor shall he/she exercise his/her voting right on behalf of other directors. Such Board of Directors meeting can be held with the attendance of a majority of the unrelated directors, and resolutions made at the Board of Directors meeting must be passed by a majority of the unrelated directors. If the number of unrelated directors attending the meeting of Board of Directors is less than three, the matter shall be submitted to the general meeting for consideration.

**Article 154** The minutes of the Board of Directors' meetings shall include the following:

- (I) the date and place of the meeting and the name of the convenor;
- (II) The names of the Directors present and the names of the Directors (proxies) who have been delegated to attend the Board of Directors;
- (III) agenda of the meeting;
- (IV) directors' speaking points;
- (V) The manner and result of voting on each resolution (the result of the voting shall indicate the number of votes in favor, against or abstentions).

**Article 10555** The Board of Directors shall not, without the approval of shareholders in a general meeting, dispose of or agree to dispose of any fixed assets of the Company where the aggregate of the expected value of fixed assets proposed for disposal and the value of fixed assets disposed of within 4 months before the proposed disposal exceeds 33% of the value of the Company's fixed assets as shown in the last balance sheet tabled before the shareholders in a general meeting.

For the purposes of this Article, the term "disposal of fixed assets" includes an act involving the transfer of an interest in certain assets, but does not include the provision of guarantees with fixed assets.

The validity of a transaction for disposal of fixed assets by the Company shall not be affected by a breach of the first paragraph of this Article.

**Article 10656** The chairman of the Board of Directors shall exercise the following functions and powers:

- (I) to preside over the general meeting and convene and preside over the meetings of the Board of Directors;
- (II) supervising and checking the implementation of the resolutions of the Board of Directors;~~To supervise and inspect the implementation of resolutions of the Board of Directors;~~
- (III) ~~To sign securities issued by the Company;~~

(FVIII) To exercise any other functions and powers granted by the Board of Directors.

~~In the event that the chairman of the Board of Directors is unable to carry out his/her duties, a director jointly elected by at least half of the directors shall perform his/her duties and powers.~~

**Article 157**

The vice-chairman of the Company shall assist the chairman of the Board of Directors, and if the chairman of the Board of Directors is unable to perform his duties or fails to perform his duties, the vice-chairman of the Board of Directors shall perform his duties (in the event that the Company has two or more vice-chairmen, the vice-chairman of the Board of Directors shall perform his duties as jointly elected by more than half of the directors); and in the event that the vice-chairman of the Board of Directors is unable to perform his duties or fails to perform his duties, a director shall be jointly elected by more than half of the directors to perform his duties.

**Article 158**

Directors of the Company are natural persons who cannot serve as directors of the Company if they have any of the following circumstances:

- (I) A person without or with limited capacity for civil conduct;
- (II) A person who has been sentenced for embezzlement, bribery, misappropriation of property, misappropriation of property, or disruption of the socialist market economic order and has not yet exceeded five years in the execution of the sentence, or a person who has been deprived of political rights for the commission of a crime and has not yet exceeded five years in the execution of the sentence;
- (III) A person who is a director or factory director or general manager of a company or enterprise in bankruptcy and liquidation and who is personally liable for the bankruptcy of the company or enterprise has not exceeded three years from the date of the completion of the bankruptcy and liquidation of the company or enterprise;
- (IV) A person who serves as a legal representative of a company or enterprise whose business license has been revoked or ordered to be closed due to a violation of law and who bears personal responsibility for it has not exceeded three years from the date of the revocation of the business license of the company or enterprise;

- (V) A person has a debt of a substantial amount that is not discharged when it falls due;
- (VI) A person who has been banned from the securities market by the CSRC for a period that has not yet expired;
- (VII) Other contents prescribed by laws, administrative regulations or departmental rules.

**Article 159**

The directors shall abide by the laws, administrative regulations and the Articles of Association and owe the following duties of loyalty to the Company:

- (I) Shall not use his/her position to accept bribes or other illegal income, and shall not misappropriate the Company's property;
- (II) Shall not misappropriate the Company's funds;
- (III) Shall not open an account to store company assets or funds in his/her personal name or in the name of any other individual;
- (IV) Shall not, in violation of the provisions of the Articles of Association, without the consent of the general meeting or the Board of Directors, lend the Company's funds to others or provide guarantees for others with the Company's property;
- (V) Shall not enter into contracts or transactions with the Company in violation of the provisions of the Articles of Association or without the consent of the general meeting;
- (VI) Shall not, without the consent of the general meeting, utilize the convenience of his/her position to seek business opportunities for himself/herself or others that should belong to the Company, and to engage in the operation of business of the same kind as that of the Company on his/her own account or on behalf of others;
- (VII) Shall not accept commissions from transactions with the Company for his or her own benefit;
- (VIII) Shall not disclose the Company's secrets without authorization;
- (IX) Shall not take advantage of his/her affiliation to the detriment of the Company's interests;
- (X) Other duties of loyalty as stipulated by laws and regulations, departmental rules and the Articles of Association.

Income derived by a director in violation of the provisions of this Article shall belong to the Company; if it causes losses to the Company, he or she shall be liable for compensation.

**Article 160**

The directors shall abide by the laws, administrative regulations and the Articles of Association and owe the following duties of diligence to the Company:

- (I) Shall exercise the rights granted by the Company in a prudent, conscientious and diligent manner so as to ensure that the Company's business conduct complies with the requirements of national laws and administrative regulations as well as various national economic policies, and that the business activities do not exceed the business scope specified in the business license;
- (II) All shareholders should be treated fairly;
- (III) Keeping abreast of the status of the Company's business operations and management;
- (IV) Shall sign a written confirmation of the Company's periodic reports. To ensure that the information disclosed by the Company is true, accurate and complete;
- (V) Shall truthfully provide the Board of Supervisors with relevant information and data, and shall not impede the Board of Supervisors or Supervisors in the exercise of their powers;
- (VI) Other obligations of diligence stipulated by laws, administrative regulations, departmental rules and the Articles of Association.

**Article 10761**

The Board of Directors shall meet regularly, and meetings of the Board of Directors shall be held at least ~~four~~two times a year, ~~approximately once per quarter~~, and convened by the chairman of the Board of Directors. For regular meeting of the Board of Directors, 10-day notice shall be given in order to let all Directors have the chance to participate in the meeting. ~~In case of emergency matters, an extraordinary meeting of the Board of Directors shall be convened upon the recommendation of three or more directors or the chairman of the Board of Directors or the general manager of the Company, and reasonable notice shall be given in accordance with Article 108 of these Articles of Association.~~ Regular meetings do not include the practice of approval through delivered written resolutions.

Written notice of Board and interim Board meetings shall be given in person, by facsimile, by express mail, by registered airmail, or by e-mail; and the time limit for giving notice of an interim Board meeting shall be five (5) days prior to the date of the meeting.

Notice of statutory period shall be given to all Directors for all significant matters requiring the decision-making of the Board of Directors, and sufficient information shall also be provided. When more than one quarter of the Directors or two or more external Directors consider that there is insufficient information or that arguments proposed are imprecise, they may jointly propose that the Board meeting be postponed or that some of the matters to be discussed at the Board meeting be discussed at a later time. Under such circumstances, the Board of Directors shall accept the proposal.

**Article 108** ~~Written notice of a meeting and extraordinary meeting of the Board of Directors shall be served by hand, facsimile, express mail service, registered air mail. Notice of an extraordinary meeting of the Board of Directors shall be no less than five days.~~

**Article 109**62 The notice of meeting shall be deemed to have been issued to a director if he is present at the meeting even if he has not received such notice prior to or at the time of his arrival at the meeting.

**Article 110**63 Regular or extraordinary board meetings may be held by way of teleconference or by virtue of other communication devices. In such meetings, so long as the participating directors can hear and communicate with each other, all participating directors are deemed to have had participated in the meeting in person.

**Article 111**64 The board meeting shall be attended by more than half of the directors.

Each director has one vote. Resolutions of the Board of Directors shall be passed by more than half of all directors.

In the case of an equality of votes, the chairman of the Board of Directors shall have a casting vote.

**Article 112**65 A director shall attend the board meetings in person.

If a director is not able to attend the meeting for any reason, he may appoint in writing other directors to attend the meeting on his behalf. The appointment letter shall state the name of the proxy, the matters to be represented, the scope of authorization and the period of validity, and shall be signed or sealed by the proxy. ~~The scope of authorization shall be specified in the proxy.~~



The director attending the meeting on other's behalf shall only exercise the rights of director within the scope of authorization. If a director fails to attend a board meeting or appoint a representative to attend on his behalf, such director shall be deemed to have waived his right to vote at such meeting.

A director of the Company shall abstain from voting on any board resolution in which he or any of his associates (as defined in the Listing Rules) has an interest (including, but not limited to, situations where the resolution involves a contract or arrangement or any other proposal in which the director or his/her close associate has material interests) nor shall he be counted in the quorum present at the meeting.

Subject to such exceptions as the Stock Exchange of Hong Kong Limited may approve, a director of the Company shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his close associates has a material interest nor shall he be counted in the quorum present at the meeting.

**Article 11366**

Matters which require the approval of an extraordinary meeting of the Board of Directors may be passed as written resolutions in lieu of a meeting of the Board of Directors only after the Board of Directors has delivered the resolutions to all directors and such resolutions have been signed and approved by the required quorum of the directors for decision-making in accordance with Article 10339 of the Articles of Association. Such written resolutions shall be deemed to have the same legal effect as resolutions passed at a board meeting held in accordance with the procedures set out in the relevant provisions of the Articles of Association.

**Article 11467**

The Board of Directors shall keep minutes of resolutions on matters discussed at the meeting. The attending directors and the recorder of meeting minutes shall sign the minutes of such meetings. Directors shall be liable for the resolutions of the Board of Directors. The minutes of the Board of Directors' meetings shall be kept as the Company archives for a period of not less than 10 years. If the resolutions of the Board of Directors violate the laws, administrative regulations or the Articles of Association, and the Company suffers a material loss as a result thereof, the directors participating in the resolutions are liable to the Company for the losses. However, directors may be exempted from such liability if it is verified that such director has stated his objection when voting and the same was recorded in the minutes at the Board meeting.

## Chapter 11 Secretary to the Board of Directors of the Company

**Article 11568** The Company has a secretary to the Board of Directors, who is a senior management staff of the Company and is responsible for the preparation of the general meetings and meetings of the Board of Directors of the Company, the custody of documents and the management of the information of shareholders of the Company, and the handling of information disclosure matters. The Secretary of the Board of Directors shall comply with the laws, administrative regulations, departmental rules and relevant provisions of the Articles of Association.~~The Company shall have a secretary to the Board of Directors. The secretary to the Board of Directors is a senior management officer of the Company.~~

**Article 11669** The secretary to the Board of Directors of the Company shall be a natural person with the requisite professional knowledge and experience, and shall be nominated by the Board of Directors. His primary duties include:

- (I) To ensure that the Company has a complete set of organizational documents and records;
- (II) To ensure proper preparation and submission of reports and files as required by the relevant authorities;
- (III) To ensure the proper maintenance of the Company's register of shareholders, so as to ensure the persons who are entitled to obtain the relevant records and documents of the Company are able to obtain the same on a timely basis;
- (IV) To coordinate and organize information disclosure of the Company;
- (V) Other duties as required by laws, regulations, the Articles of Association, other management systems of the Company, and the listing rules of the stock exchange where the Company's shares are listed.

**Article 11770** A director or other senior management officers of the Company may act as the secretary to the Board of Directors. The accountants of the accounting firm which has been appointed by the Company shall not concurrently act as the secretary to the Board of Directors.

If a director of the company concurrently serves as secretary to the Board of Directors, in the event that an action must be carried out by a director and a secretary to the Board of Directors respectively, the person who holds the offices of director and secretary to the Board of Directors shall not act in dual capacity.

## Chapter 12 Company Secretary

**Article 11871** The Company shall appoint an individual as company secretary, to ensure good information flow within the board and that board policy and procedures are followed. The company secretary should report to the board chairman and/or the chief executive, and is responsible for advising the board through the chairman and/or the chief executive on governance matters and should also facilitate induction and professional development of directors.

**Article 11972** The board should approve the selection, appointment or dismissal of the company secretary. A board meeting should be held to discuss the appointment and dismissal of the company secretary and the matter should be dealt with by a physical board meeting rather than a written resolution. A candidate for company secretary shall be an individual who, by virtue of his academic or professional qualifications or relevant experience, is, in the opinion of the Exchange, capable of discharging the functions of company secretary.

The company secretary should be an employee of the Company and have day-to-day knowledge of the Company's affairs. Where the Company engages an external service provider as its company secretary, it should disclose the identity of a person with sufficient seniority (e.g. chief legal counsel or chief financial officer) at the issuer whom the external provider can contact.

In each financial year the Company's company secretary must take no less than 15 hours of relevant professional training.

All directors should have access to the advice and services of the company secretary to ensure that board procedures, and all applicable law, rules and regulations, are followed.

## Chapter 13 General Manager

**Article 12073** The Company shall have one general manager who shall be appointed or removed by the Board of Directors. The Company shall have several deputy general managers who shall be appointed or removed by the Board of Directors. The General Manager, Deputy General Manager, Chief Financial Officer and Secretary of the Board of Directors are the senior management of the Company.

**Article 12174** The general manager shall be accountable to the Board of Directors and exercise the following functions and powers:

- (I) To be in charge of the production, operation and management of the Company, and to arrange implementation of resolutions of the Board of Directors, and report to the Board of Directors;

- (II) To arrange implementation of the Company's annual business plans and investment plans;
- (III) To propose plans for establishment of the Company's internal management organization;
- (IV) To formulate the Company's basic management system;
- (V) To formulate the basic rules and regulations of the Company;
- (VI) To propose the employment and dismissal of the deputy general managers and other senior management officers (including the chief financial officer);
- (VII) To employ or dismiss the management officers other than those required to be employed or dismissed by the Board of Directors;
- (VIII) To exercise other functions and powers conferred by the Articles of Association and the Board of Directors.

**Article 175**

A person who holds an executive position other than a director or supervisor in a controlling shareholder entity of the Company shall not serve as a senior executive of the Company. Senior executives of the Company are remunerated only by the Company and are not paid on behalf of the controlling shareholders.

**Article 176**

The term of office of the general manager shall be three years, and the general manager may be reappointed for a second term.

**Article 177**

The general manager shall formulate the general manager's work rules and submit them to the Board of Directors for approval before implementation, and the general manager's work rules shall include the following:

- (I) The conditions and procedures for convening the general managers' meeting and the persons attending it;
- (II) The specific responsibilities of each of the general managers and other senior managers and their division of labor;
- (III) The authority to utilize the Company's funds and assets and to enter into major contracts, as well as the reporting system to the Board of Directors and the Board of Supervisors;
- (IV) Such other matters as the Board of Directors may deem necessary.

Article 178            The general manager may resign before the expiration of his term of office. The specific procedures and methods concerning the resignation of the general manager shall be set out in the labor contract between the general manager and the Company.

Article 12279        The general manager shall attend board meetings and, if the general manager is not a director, he shall not have voting right thereat.

Article 12380        In the exercise of his powers, the general manager shall comply with the laws, administrative regulations and the Articles of Association, and fulfil his duties in good faith and with due diligence.

### **Chapter 14   Board of Supervisor**

Article 12481        The Company shall establish the Board of Supervisors. The Board of Supervisors is responsible for monitoring the Board of Directors, the directors, the general manager and other senior management officers of the Company against any abuse of position and infringement of the rights of shareholders, the Company and employees of the Company.

Article 12582        The Company shall have a Board of Supervisors whose members shall be three, including two non-employee supervisors, who shall be elected by the general meeting, and one employee representative supervisor, who shall be democratically elected by the Company's employees through the employees' representative assembly, the employees' general meeting, or in other forms.

The Board of Supervisors shall have a chairman and may have a vice-chairman. The Chairman and Vice-Chairman of the Board of Supervisors shall be elected by a majority of all Supervisors. The Board of Supervisors is comprised of 3 supervisors, one of whom shall act as the chairman of the Board of Supervisors. The term of office of supervisors shall be 3 years, renewable upon re-election and re-appointment. Supervisors shall be elected for a term of three years and may be re-elected for a second term. If the term of office of a Supervisor expires without timely re-election, or if a supervisor resigns during his term of office resulting in the Board of Supervisors falling below a quorum, the original supervisor shall still perform the duties of a supervisor in accordance with the laws, administrative regulations and the Articles of Association until the re-elected supervisor assumes office.

The appointment and dismissal of the chairman of the Board of Supervisors shall be subject to the approval of two-thirds or more of its members by voting.

**Article 12683** Members of the Board of Supervisors shall comprise two representatives of shareholders and one representative of staff and workers. The staff representative supervisor shall be elected by the employee representatives' meeting and workers and other democratic means.

The chairman of the Board of Supervisors shall be elected by more than half of all supervisors. The chairman of the Board of Supervisors shall convene and preside over the meetings of the Board of Supervisors; If the chairman of the Board of Supervisors is unable to or does not perform his duty, the meetings of the Board of Supervisors shall be convened and presided over by a supervisor jointly designated by more than half of the supervisors.

**Article 12784** The directors, general manager, chief financial officer and senior management officers of the Company shall not concurrently act as supervisors.

**Article 12885** The Board of Supervisors shall convene at least once meeting every six months, which shall be convened by the chairman of the Board of Supervisors. The supervisors can propose to convene extraordinary meetings of the Board of Supervisors. Resolutions of the Board of Supervisors shall be adopted by a majority of the Supervisors.

**Article 12986** The Board of Supervisors shall be accountable to the shareholders' general meeting and exercise the following functions and powers:

1. Shall review and give written opinions on the Company's periodic reports prepared by the Board of Directors;
- ~~(1)~~2. To review the Company's financial position;
3. Supervise the behavior of directors and senior management in performing their duties for the company, and to propose the dismissal of directors and senior management who violate laws, administrative regulations, the company's articles of association, or the resolutions of the general meeting;
4. Require directors and senior management to rectify their actions when they are detrimental to the interests of the Company;
5. Propose the convening of extraordinary general meeting and convene and preside over general meeting when the Board of Directors does not fulfill its duty to convene and preside over general meeting as stipulated in the Articles of Association;

6. Proposals to the general meeting;
  7. Proceedings against directors and senior management in accordance with the provisions of the Company Law;
  8. When abnormalities in the Company's operations are found, investigations may be conducted; if necessary, professional agencies such as accounting firms and law firms may be engaged to assist in their work at the Company's expense;
  9. Election and replacement of the Chairman of the Board of Supervisors.
- (II) ~~To monitor any acts on the part of directors, general manager and other senior management officers in their performance of duties that may violate the laws, administrative regulations and the Articles of Association;~~
- (III) ~~To demand directors and senior management officers to make rectification if their conduct has damaged the Company's interest;~~
- (IV) ~~To review financial information such as financial reports, operation reports and profit distribution plans to be submitted by the Board of Directors to the shareholders' general meetings; and if there is any doubt, engage certified public accountants and practicing auditors in the name of the Company to assist their review if necessary;~~
- (V) ~~To propose the convening of an extraordinary general meeting;~~
- (VI) ~~To represent the Company to deal with the directors or to bring action against the directors;~~
- (VII) ~~To exercise other functions and powers granted by the shareholders' general meetings.~~

Supervisors may attend meetings of the Board of Directors and make inquiries or suggestions on matters resolved by the Board of Directors.

**Article 13087**

The Board of Supervisors shall formulate the rules of procedure of the Board of Supervisors and specify its method of discussion and voting procedure to ensure its efficiency and organized decision-making. A meeting of the Board of Supervisors may be held subject to attendance by no less than two-thirds of its members.

The Board of Supervisors shall keep minutes of resolutions on matters discussed at the meeting, and the attending supervisors shall sign on the minutes of the meeting. Supervisors have the right to request that some kind of descriptive entry be made on the record of what they said at the meeting, and the minutes of Board of Supervisors meetings shall be kept as the Company's archives for at least 10 years.~~Resolutions of the Board of Supervisors shall be passed by the affirmative votes of two-thirds or more of the members of Board of Supervisors.~~

**Article 13188** In the event that the Board of Supervisors engages professionals, such as lawyers and accounting firms, in the exercise of its functions, any reasonable expenses incurred thereby shall be borne by the Company.

**Article 13289** A supervisor shall carry out his supervisory duties honestly and faithfully in accordance with the law, administrative regulations and the Articles of Association.

**Article 190** Supervisors shall abide by the laws, administrative regulations and the Articles of Association, and shall have the duty of loyalty and diligence to the Company; they shall not use their powers to accept bribes or other illegal income, and shall not misappropriate the Company's property.

**Article 191** Supervisors shall ensure that the information disclosed by the Company is true, accurate and complete, and sign a written confirmation of the periodic report.

**Article 192** Supervisors shall not take advantage of their affiliation to jeopardize the interests of the Company and shall be liable for compensation if they cause losses to the Company.

**Article 193** Supervisors who violates laws, administrative regulations, departmental rules or the provisions of the Articles of Association in the performance of his/her duties with the Company and causes losses to the Company shall be liable for compensation.

**Article 194** The notice of a meeting of the Board of Supervisors shall consist of the following elements:

- (I) date, place and duration of the meeting;
- (II) subject matter and issues;
- (III) the date of the notification.



Article 195            The senior management of the Company who violates laws, administrative regulations, departmental rules or the provisions of the Articles of Association in the performance of his/her duties with the Company and causes losses to the Company shall be liable for compensation.

Article 196            The senior management of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. Senior management of the Company shall be liable for compensation in accordance with the law for any damage caused to the interests of the Company and public shareholders as a result of their failure to faithfully perform their duties or breach of their duty of good faith.

### **Chapter 15    Qualifications and Obligations of Directors, Supervisors, General Managers and Other Senior Management Officers of the Company**

Article 197            The legal representative of the Company shall be the Chairman of the Board of Directors (or the General Manager), who shall sign the Company's documents.

Article ~~133~~198        The following persons may not serve as a director, supervisor, the general manager, or other senior management officer of the Company:

- (I)     A person without or with limited capacity for civil conduct;
- (II)    A person who has been sentenced for corruption, bribery, infringement of property, misappropriation of property or damaging the social economic order, where less than 5 years have elapsed since the sentence was served, or who has been deprived of his political rights due to criminal offense, where less than 5 years have elapsed since the sentence was served;
- (III)   A person who is a former director, factory manager or manager of a company or enterprise which has become insolvent and has been liquidated and who is personally liable for the insolvency of such company or enterprise, and where less than 3 years have elapsed since the date of completion of the insolvency and liquidation of such company or enterprise;
- (IV)   A person who is a former legal representative of a company or enterprise the business license of which was revoked and ordered to close down due to violation of law and who is personally liable for such violation, where less than 3 years have elapsed since the date of the revocation of business license of such company or enterprise;

- (V) A person who has a relatively large amount of debts which have become overdue;
- (VI) A person who is currently under investigation by the judicial authorities for violation of criminal law, and the legal procedures are pending;
- (VII) A person who, according to law and administrative regulations, is not permitted to be the leader of an enterprise;
- (VIII) A person who is not a natural person;
- (IX) A person who has been convicted by the competent authority for violation of relevant securities regulations and such conviction involves a finding that such person has acted fraudulently or dishonestly, where less than 5 years have elapsed since the date of such conviction.

**Article ~~134~~199**

The validity of an act carried out by a director, general manager and other senior management officer on behalf of the Company as against a bona fide third party shall not be affected by any irregularity in his employment, election or qualification.

**Article ~~135~~200**

In addition to the obligations imposed by law, administrative regulations or the listing rules of the stock exchange where the Company's shares are listed, each of the Company's directors, supervisors, general manager and other senior management officers owes the following obligations to each shareholder, in the exercise of the functions and powers entrusted to him by the Company:

- (I) Not to exceed the Company's scope of business specified in its business license;
- (II) To act bona fide in the best interests of the Company;
- (III) Not to expropriate the Company's property in any way, including but not limited to opportunities beneficial to the Company;
- (IV) Not to expropriate the personal rights and interests of shareholders, including but not limited to rights to distribution and voting rights, except in a restructuring of the Company which has been submitted to the shareholders' general meeting for approval in accordance with the Articles of Association.

**Article ~~136~~201** Each of the Company's directors, supervisors, general managers and other senior management officers owes the duty that in the exercise of his powers or discharge of his obligations, to exercise the care, diligence and skill that a reasonably prudent person would exercise under similar circumstances.

**Article ~~137~~202** Each of the Company's directors, supervisors, general manager and other senior management officers shall perform his duties on the principle of fiduciary responsibility, and shall not put himself in a position where his interests and his duties may conflict. This principle includes (but is not limited to) discharging the following obligations:

- (I) To act bona fide in the best interests of the Company;
- (II) To exercise his powers within his terms of reference and not to act ultra vires;
- (III) To exercise the discretion vested in him personally and not to allow himself to act under the control of any other party; and unless permitted by laws, administrative regulations or with the informed consent of the shareholders given in a general meeting, not to delegate the exercise of his discretion;
- (IV) To treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (V) Unless otherwise provided in the Articles of Association or except with the informed consent of the shareholders given in a general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (VI) Not to use the Company's property in any way for his own benefit without the informed consent of the shareholders given in a general meeting;
- (VII) Not to exploit his position to accept bribes or to obtain other illegal income, expropriate the Company's property in any way, including (but not limited to) opportunities beneficial to the Company;
- (VIII) Not to accept commissions in connection with the Company's transactions without the informed consent of the shareholders given in a general meeting;
- (IX) To comply with the Articles of Association, perform his duties faithfully, protect the Company's interests and not to exploit his position and power in the Company for his own benefit;

- (X) Not to compete with the Company in any way without the informed consent of the shareholders given in a general meeting;
- (XI) Not to misappropriate the Company's funds or lend the Company's funds to others, not to open any account in his own name or in any other name for the deposit of the Company's assets or funds, not to use such assets to provide guarantee for the debts of shareholders of the Company or other individuals;
- (XII) Not to disclose any confidential information in relation to the Company which he has obtained during his term of office without the informed consent of the shareholders given at a general meeting; nor shall he use such information other than for the Company's benefit, save that disclosure of such information to the court or other governmental authorities is permitted if:
  - 1. The law so requires;
  - 2. Public interest so warrants;
  - 3. The interests of the relevant director, supervisor, general manager and other senior management officers so requires.

**Article ~~138~~203**

Each director, supervisor, general manager or other senior management officer of the Company shall not direct the following persons or institutions ("related parties") to do anything that is not permitted:

- (I) The spouse or minor child of the Company's director, supervisor, general manager or other senior management officer;
- (II) The trustee of the Company's director, supervisor, general manager or other senior management officer or any person referred to in sub-paragraph (I) of this Article;
- (III) The partner of the Company's director, supervisor, general manager or other senior management officer or any person referred to in sub-paragraphs (I) and (II) of this Article;

- (IV) A company in which the Company's director, supervisor, general manager or other senior management officer, whether alone or jointly with the persons referred to in sub-paragraphs (I), (II), (III) of this Article or other directors, supervisors, general managers and other senior management officers of the Company, has de facto control;
- (V) The directors, supervisors, general managers and other senior management officers of the controlled company referred to in sub-paragraph (IV) of this Article.

**Article ~~139~~204** The fiduciary duties of a director, supervisor, general manager and other senior management officers of the Company do not necessarily cease upon termination of their tenure. The duty of confidentiality in respect to trade secrets of the Company survives the termination of their tenures. Other duties may continue for such period as the principle of fairness may require, depending on the length of time that has elapsed between termination and the act concerned and the circumstances and terms under which their relationship with the Company have been terminated.

**Article ~~140~~205** Except for circumstances prescribed in Article 61 hereof, a director, supervisor, general manager and other senior management officers of the Company may be relieved of liability for specific breaches of his duty with the informed consent of the shareholders given in a general meeting.

**Article ~~141~~206** Where a director, supervisor, general manager or other senior management officer of the Company is, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company (other than appointment contracts between the Company and directors, supervisors, general managers or other senior management officers), he shall disclose the nature and extent of his interest to the Board of Directors at the earliest opportunity, whether or not such matters are subject to the approval of the Board of Directors under normal circumstances.

Unless the interested director, supervisor, general manager or other senior management officer of the Company has disclosed his interest to the Board of Directors as required by the first paragraph of this Article and relevant matters have been approved by the Board of Directors at a meeting in which he was not counted in the quorum and has abstained from voting, the contract, transaction or arrangement is voidable at the instance of the Company except as against a bona fide

party thereto who does not have notice of the breach of duty by the interested director, supervisor, general manager or other senior management officer.

A director, supervisor, general manager or other senior management officer of the Company is deemed to be interested in a contract, transaction or arrangement in which his related party is interested.

**Article ~~142~~207**

Where a director, supervisor, general manager or other senior management officer of the Company gives the Board of Directors a notice in writing stating that, by reason of the facts specified in the notice, he is interested in the contract, transaction or arrangement which may subsequently be made by the Company, such notice shall be deemed to be a disclosure for the purpose of the preceding Article of this Chapter, so far as the content stated in such notice is concerned, provided that such notice shall have been given before the date on which the relevant contract conclusion, transaction or arrangement is first taken into consideration by the Company.

**Article ~~143~~208**

The Company shall not in any manner pay taxes for its directors, supervisors, general manager or other senior management officers.

**Article ~~144~~209**

The Company shall not directly or indirectly make a loan to or provide any guarantee for a loan to a director, supervisor, general manager or other senior management officer of the Company or the Company's controlling shareholders or any of their respective related parties.

The foregoing provision shall not apply to the following circumstances:

- (I) The provision by the Company of a loan or a guarantee for a loan to its subsidiaries;
- (II) The provision by the Company of a loan or a guarantee for a loan or any other funds to any of its directors, supervisors, general managers or other senior management officers pursuant to their employment contracts which were approved by the shareholders in a general meeting for him to settle expenditures incurred by him for expenses incurred in performing his duties and responsibilities;
- (III) If the ordinary scope of business of the Company is expanded to include the provision of loans or guarantees for loans, the Company may provide a loan or a guarantee for a loan to any of the relevant directors, supervisors, general managers or other senior management officers or their respective related parties, provided that the provision of loans or guarantees for loans is on normal commercial terms.

- Article 145210** A loan made by the Company in breach of the preceding Article shall be repayable forthwith by the recipient of the loan regardless of the terms of the loan.
- Article 146211** A guarantee for a loan provided by the Company in breach of the first paragraph of Article 144 shall not be enforceable against the Company, unless:
- (I) The lender was not aware of the relevant circumstances when he provided a loan to a related party of any of the directors, supervisors, general managers and other senior management officers of the Company;
  - (II) The collateral provided by the Company has already been lawfully disposed of by the lender to a bona fide purchaser.
- Article 147212** For the purposes of the foregoing provisions of this Chapter, a guarantee includes an act of undertaking or property provided by the guarantor to secure the performance of obligations by the obligor.
- Article 148213** Where a director, supervisor, general manager or other senior management officer of the Company is in breach of his obligations owed to the Company, the Company has, in addition to any rights and remedies provided for in the laws and administrative regulations, the right to take the following measures:
- (I) To demand such director, supervisor, general manager or other senior management officer compensate for losses sustained by the Company as a result of such breach;
  - (II) To rescind any contract or transaction that has been entered into by the Company with such director, supervisor, general manager or other senior management officer, or with a third party (where such third party has known or should have known that such director, supervisor, general manager or other senior management officer that represents the Company has breached his duties owed to the Company);
  - (III) To demand such director, supervisor, general manager or other senior management officer to surrender profits obtained as a result of the breach of his obligations;
  - (IV) To recover any monies received by the director, supervisor, general manager or other senior management officer that should have been received by the Company, including (without limitation) commissions;

- (V) To demand the return of interest earned or which may have been earned by such director, supervisor, general manager or other senior management officer on the monies that should have been paid to the Company.

**Article ~~149~~214**

The Company shall enter into a written contract with its directors, supervisors and senior management officers, which shall include at least the following provisions:

- (I) An undertaking by the director, supervisor and senior management officer to the Company to observe Company Law, the Special Regulations, the Articles of Association, the Codes on Takeover and Mergers and the Codes on Share Repurchases as approved and amended from time to time by the Hong Kong Securities and Futures Commission, and an agreement that the Company shall have the remedies provided in the Articles of Association, and that neither the contract nor his office is capable of assignment;
- (II) An undertaking by the director, supervisor and senior management officer to the Company to each shareholder to observe and perform his obligations in accordance with the Articles of Association; and
- (III) An arbitration clause as provided in Article ~~195~~268 hereof, and that this arbitration agreement is entered into between the director or supervisor or senior management officer and the Company (for itself and each shareholder). Any arbitration submitted shall be deemed as authorising the arbitration court to conduct public hearing and publish its award.

**Article ~~150~~215**

The Company shall, with the prior approval of shareholders in a general meeting, enter into a written contract with its directors and supervisors regarding emoluments matters. The aforesaid emoluments include:

- (I) Emoluments in respect to his service as director, supervisor or senior management officer of the Company;
- (II) Emoluments in respect to his service as director, supervisor or senior management officer of any subsidiary of the Company;
- (III) Emoluments in respect to the provision of other services in connection with the management of the affairs of the Company and any of its subsidiaries;



- (IV) Payment to the director or supervisor as compensation for loss of office or as consideration in connection with his retirement.

No proceedings may be brought by a director or supervisor against the Company for any benefit due to him in respect to the matters mentioned in this Article except pursuant to the contract mentioned above.

**Article 151216**

The contracts entered into between the Company and its directors or supervisors concerning emoluments shall prescribe that in the event that the Company is being acquired, the Company's directors and supervisors shall, subject to the prior approval of shareholders in a general meeting, have the right to receive compensation or other payment in respect to his loss of office or retirement. For the purposes of the preceding paragraph, the acquisition of the Company includes any of the following:

- (I) An offer made by any person to all shareholders;
- (II) An offer made by any person such that the offeror will become the controlling shareholder. The term "controlling shareholder" has the same meaning as defined in Article 62 of the Articles of Association.

If the relevant director or supervisor does not comply with this Article, any sum received by him shall belong to those persons who have sold their shares as a result of the acceptance of such offer, and the expenses incurred in distributing that sum on a pro rata basis among those persons shall be borne by the relevant director or supervisor and shall not be deducted from the distributed sum.

**Article 217**

If the directors or senior management violate the laws, administrative regulations or the provisions of the Articles of Association in the course of performing their duties for the Company and cause losses to the Company, the shareholders who have held, individually or collectively, more than 1% of the shares of the Company for more than one hundred and eighty consecutive days shall have the right to request the Board of Supervisors in writing to initiate litigation in the People's Court; if the Board of Supervisors violates the laws, administrative regulations or the provisions of the Articles of Association in the course of performing their duties for the Company and cause losses to the Company, the shareholders may request the Board of Directors in writing to bring a lawsuit to the People's Court.

If the Board of Supervisors or the Board of Directors refuses to initiate a lawsuit upon receipt of a written request from a shareholder as stipulated in the preceding paragraph, or fails to initiate a lawsuit within thirty days from the date of receipt of the request, or if the situation is so urgent that failure to initiate a lawsuit immediately will result in irreparable damage to the interests of the Company, the shareholders as stipulated in the preceding paragraph shall have the right to initiate a lawsuit in their own names and directly in the People's Courts for the interests of the Company.

If another person infringes upon the lawful rights and interests of the Company and causes damage to the Company, the shareholders specified in the first paragraph of this Article may bring a lawsuit to the People's Court in accordance with the provisions of the preceding two paragraphs.

## **Chapter 16 Financial and Accounting System and Profit Distribution**

**Article 152218** The Company shall establish its financial and accounting system in accordance with the law, administrative regulations and the provisions stipulated by the relevant authorities of the People's Republic of China.

**Article 153219** ~~At the end of each accounting year, the Company shall prepare a financial report which shall be audited and verified according to law. The Company shall submit and disclose an annual report to the CSRC and the stock exchange within four months from the end of each fiscal year, and an interim report to the CSRC and the stock exchange within two months from the end of the first half of each fiscal year. The above annual and interim reports shall be prepared in accordance with relevant laws and administrative regulations, the CSRC and stock exchanges.~~

**Article 154220** The Company's Board of Directors shall make available before the shareholders at every annual general meeting such financial reports prepared by the Company in accordance with the relevant laws, administrative regulations and regulatory documents promulgated by the local government and the competent authorities. The issuer shall lay its annual financial statements before its members at its annual general meeting within the period of 6 months after the end of the financial year or accounting reference period to which the annual financial statements relate.

**Article 155221** The Company's financial reports shall be made available for shareholders' inspection at the Company 20 days prior to the date of the annual general meeting. Each shareholder of the Company has the right to receive a copy of such financial reports mentioned herein.

- Article 156222** The Company shall send ~~by prepaid mail a copy of~~ the annual report, including the annual accounts and the auditor's report, and other financial reports mentioned herein to shareholders ~~each holder of overseas-listed shares at the address recorded in the register of shareholders~~ at least 21 days before the annual general meeting is convened and within 4 months of the end of the financial year. Subject to compliance with laws, administrative regulations, departmental rules, regulatory documents and the relevant provisions of the listing rules of the stock exchange where the Company's shares are listed, the Company may do so by electronic means or by publication on the website designated by the Company or the stock exchange where the Company's shares are listed.
- Article 157223** The Company shall make available to the H Shareholders ~~deliver or send by mail a copy of~~ the annual report of the Board of Directors, including (i) the annual accounts and the auditor's report, which includes, but not limited to, balance sheet and each document that is required to be appended therein, as well as profit and loss statement or income and expenditure statement, or (ii) financial summary, and other financial reports mentioned herein to each H shareholder ~~at their registered address~~ at least 21 days before the annual general meeting is convened and within 4 months of the end of the financial year.
- Article 158224** The financial statements of the company shall be prepared in accordance with China Accounting Standards and the laws and regulations of China as well as international accounting standards or the accounting standards of its overseas listing place. Any significant discrepancy between the two versions shall be illustrated in the notes to the financial statements. In distributing its after-tax profits of the relevant accounting year, the lower of the after-tax profits as shown respectively in the abovementioned two financial statements shall be adopted.
- Article 159225** The interim results or financial information announced or disclosed by the company shall be prepared in accordance with China Accounting Standards and the laws and regulations of China as well as international accounting standards or the accounting standards of its overseas listing place.
- Article 160226** The Company shall publish its financial reports twice every accounting year. Namely, the interim financial report shall be published within 3 months ~~60 days~~ after the end of the first six months of each accounting year and the annual financial report shall be published within 4 months ~~120 days~~ after the end of each accounting year.

**Article ~~161~~227** The Company shall not maintain books of accounts other than those provided for by law. The Company's assets shall not be deposited in an account maintained in the name of any individual.

**Article 228** When the Company distributes the after-tax profit for the year, 10% of the profit should be withdrawn and included in the Company's legal reserve. If the accumulated amount of the Company's legal reserve is 50% or more of the Company's registered capital, no further withdrawals may be made. If the Company's legal reserve is insufficient to make up for the losses of the previous fiscal years, it shall make up for the losses with the profits of the current fiscal year before withdrawing the legal reserve in accordance with the provisions of the preceding paragraph. After the Company has withdrawn the legal reserve from the profit after tax, it may also withdraw any reserve from the profit after tax by resolution of the general meeting. The after-tax profit of the Company after making up losses and withdrawing the provident fund shall be distributed in proportion to the shares held by the shareholders. If the general meeting violates the provisions of the preceding paragraph by distributing profits to shareholders before the Company has made up for its losses and withdrawn its legal reserve, the shareholders must return to the Company the profits distributed in violation of the provisions. Shares of the Company held by the Company do not participate in the distribution of profits.

The Company may distribute dividends in the following forms:

- (I) Cash;
- (II) Shares.

**Article 229** The Company's provident fund is used to make up for the Company's losses, expand the Company's production and operation, or be converted to increase the Company's capital. However, the capital reserve will not be used to cover the company's losses. Upon conversion of legal reserve to capital, the amount of such reserve retained will be not less than 25% of the registered capital of the Company prior to the conversion.

**Article 230** The distribution of dividends (or shares) must be completed within two months after the resolution on the profit distribution plan is made by the Company's general meeting or after the Board of Directors of the Company has formulated a specific plan in accordance with the conditions and upper limit of the next year's interim dividend distribution as considered and approved by the annual general meeting.

**Article 231** The Company implements an internal audit system with full-time auditors to conduct internal audit supervision of the Company's financial income and expenditure and economic activities. The internal audit system of the Company and the duties of the internal auditors shall be implemented after approval by the Board of Directors. The Head of Audit is accountable and reports to the Board of Directors.

**Article 162** ~~The Company's after-tax profits shall be utilized in the following order:~~

- ~~(I) Make up for losses;~~
- ~~(II) Withdrawal of statutory reserve fund;~~
- ~~(III) Subject to approval at the shareholders' general meeting, withdrawal of its discretionary reserve fund;~~
- ~~(IV) Payment of ordinary shares dividends. No dividends may be distributed nor any other distributions be made through bonuses if the Company has not made up for losses or allocated to its statutory reserve fund.~~

~~Any amount paid up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof in a dividend subsequently declared.~~

~~The Company has the power to cease sending dividend warrants by post to a holder of overseas-listed foreign shares if such warrants have been left uncashed. The Company shall only exercise such power until such warrants have been so left uncashed on two consecutive occasions. However, such power may be exercised after the first occasion on which such a warrant is returned undelivered.~~

Subject to the relevant laws and regulations of China and the rules of the Stock Exchange of Hong Kong Limited, the Company may exercise its right to claim over unclaimed dividends, provided that such right shall not be exercised until after the expiration of the applicable limitations period. In relation to the exercise of right to issue warrants to bearer, no new warrant shall be issued to replace one that has been lost unless the Company is satisfied beyond a reasonable doubt that the original warrant has been destroyed. The Company has the right to sell, by means considered appropriate by the Board of Directors, the shares of a holder of the overseas-listed foreign shares who is untraceable only if the following conditions are satisfied: (1) during a period of 12 years at least 3 dividends have become payable and no dividend during that period has been claimed; and (2) upon expiry of the 12 years, the Company gives notice of its intention to sell the shares by way of an announcement published in newspapers and notifies the Stock Exchange of Hong Kong Limited of such intentions.

- Article ~~163~~232** Capital reserve fund includes the following items:
- (I) Premium received when shares are issued at a premium to their par value;
  - (II) Any other income required by the finance regulatory department of the State Council to be included in the capital reserve fund.
- Article ~~164~~233** The common reserve fund of the Company can be applied for:
- (I) Making up for losses of the Company, but the capital reserve fund may not be used to make up the losses of the company;
  - (II) Increasing the capital of the Company. Where the statutory reserve fund is converted into capital through capitalisation, the balance of such reserve fund shall not fall below 25% of the Company's registered capital prior to such conversion.
  - (III) Expansion of the Company's production and operation.
- Article ~~165~~234** Distribution of the Company's dividends may be determined by the shareholders' general meeting. Subject to consideration by the Board of Directors on the Company's financial position and compliance with the relevant laws and regulations, shareholders may authorise the Board of Directors to distribute and pay dividends through an ordinary resolution.
- Article ~~166~~235** The Company may distribute dividends in the form of:
- (I) Cash;
  - (II) Shares.
- The Company may exercise its right to claim over unclaimed dividends, provided that such right shall not be exercised until after the expiration of the applicable limitations period.
- Article ~~167~~236** The cash dividends of ordinary shares shall be denominated and declared in Renminbi. The cash dividends of domestic shares shall be paid in Renminbi. The cash dividends and other distribution of overseas listed foreign shares shall be paid in the currency of the listing place of the foreign shares. If there is more than one listing place, payment shall be in the currency of the main listing place determined by the Board of Directors. Cash dividends of unlisted foreign shares shall be paid in Hong Kong Dollars.

**Article 168**~~237~~ If the cash dividends are to be paid in a foreign currency, the Company shall adopt the average offer price of the relevant foreign exchange quoted by the People's Bank of China for a calendar week preceding the date on which the dividend and other amount are declared as the exchange rate therefor.

**Article 169**~~238~~ The Company shall appoint a receiving agent in Hong Kong for holders of overseas listed foreign shares.

The receiving agent shall receive on behalf of such shareholders any dividends or other amounts payable by the Company to them in respect to the overseas listed foreign shares, and such payment shall be kept by the receiving agent on such shareholders' behalf for any payment to them. The receiving agent appointed by the Company shall satisfy requirements under the laws of the jurisdiction where the Company's shares are listed or the rules of relevant stock exchange. The receiving agent appointed by the Company for holders of H shares listed on the Hong Kong Stock Exchange shall be a trust company registered under the Trustee Ordinance of Hong Kong.

## Chapter 17 Appointment of Accountant Firm

**Article 170**~~239~~ The Company shall appoint a accounting firm that complies with the provisions of the Securities Act to conduct audits of accounting statements, verification of net assets and other related consulting services for a period of one year, which may be renewed.~~The Company shall appoint an independent accounting firm which is qualified under the relevant national regulations to audit the Company's annual financial reports and verify other financial reports of the Company. For the purposes of these Articles, an accounting firm appointed by the Company from time to time shall be the Company's auditors.~~

~~The first accounting firm of the Company may be appointed at the inaugural meeting prior to the first annual general meeting. The accounting firm so appointed shall hold the position until the conclusion of the first annual general meeting.~~

~~Where the inaugural meeting has not exercised its aforesaid power, such power shall be exercised by the Board of Directors.~~

**Article 171**~~240~~ The appointment of an accounting firm by a company shall be decided by the general meeting of shareholders, and the board of Directors shall not appoint an accounting firm before the decision of the general meeting of shareholders.~~The accounting firm appointed by the Company shall hold their position from the conclusion of the annual general meeting at which the appointment is made until the conclusion of the next annual general meeting.~~

- Article ~~172~~241** The accounting firm appointed by the Company shall have the following rights:
- (I) The right to review the books, records and documents of the Company at any time, the right to require the directors, general managers or other senior management officers of the Company to provide relevant information and explanation;
  - (II) The right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as necessary for the discharge of its duties;
  - (III) The right to attend general meetings and to receive all notices of, and other information relating to, any general meeting which any shareholder is entitled to receive, and to speak at any general meeting in relation to matters concerning its role as the Company's accounting firm.
- Article ~~173~~242** If there is a vacancy in the position of accounting firm of the Company, the Board of Directors may appoint an accounting firm to fill such vacancy before the convening of the shareholders' general meeting. Any other accounting firm which has been appointed by the Company may continue to act in this capacity during the period in which a vacancy exists.
- Article 243** The Company shall ensure that true and complete accounting documents, accounting books, financial accounting reports and other accounting information are provided to the appointed accounting firm, and shall not refuse, conceal or misrepresent them.
- Article 244** The audit fee or the manner of determining the audit fee of the accounting firm shall be determined by the general meetings.
- Article 245** In the event that the Company dismisses or does not reappoint a accounting firm, the Company shall notify the accounting firm 10 days in advance, and the accounting firm shall be allowed to state its opinion when the Company's general meeting votes on the dismissal of the accounting firm. If the accounting firm proposes to resign, it shall explain to the general meeting whether there are any improper circumstances in the Company.
- Article ~~174~~246** The shareholders in a general meeting may, by ordinary resolution, remove an accounting firm before the expiration of its term of office, irrespective of the provisions in the contract between the firm and the Company. However, the accounting firm's right to claim for damages which arise from its removal shall not be affected thereby.



**Article 175** ~~The remuneration of an accounting firm or the manner in which such remuneration is to be decided shall be determined by the shareholders' general meeting. The remuneration of an accounting firm appointed by the Board of Directors shall be determined by the Board of Directors.~~

**Article 176** ~~The Company's appointment, removal and non-reappointment of an accounting firm shall be resolved by a shareholder's general meeting. Such resolution shall be filed with the CSRC.~~

**Article ~~177~~247** Where a resolution at a shareholders' general meeting is passed to appoint an accounting firm other than the incumbent accounting firm to fill a casual vacancy in the office of the accounting firm, to reappoint an accounting firm that was appointed by the Board of Directors to fill a casual vacancy, or to remove an accounting firm before the expiration of its term of office, the following provisions shall apply:

- (I) Before notice of meeting is given to the shareholders, a copy of the appointment or removal proposal shall be sent to the accounting firm proposed to be appointed or proposed to leave its post or the accounting firm which has left its post in the relevant accounting year, including leaving by removal, resignation and retirement.
- (II) If the accounting firm leaving its post makes representations in writing and requests the Company to notify its shareholders of such representations, the Company shall (unless the written representations were received too late) take the following measures:
  - (1) in any notice of meeting held for making the resolution, state the fact that the departing accounting firm has made such representations;
  - (2) attach a copy of the representations to the notice and send it to every shareholder entitled to notice of general meeting in the manner stipulated in the Articles of Association.
- (III) If the Company fails to send out the accounting firm's representations in the manner set out in sub-paragraph (II) of this Article, such accounting firm may require that the representations be read out at the shareholders' general meeting and may make further representations.

- (IV) An accounting firm that is leaving its post shall be entitled to attend:
- (1) The shareholders' general meeting at which its term of office would otherwise have expired;
  - (2) The shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal;
  - (3) The shareholders' general meeting that is convened as a result of its resignation.

The accounting firm shall be entitled to receive all notices of, and other communications relating to, such meetings as stated in sub-paragraph (IV), and to speak at such meetings in relation to matters concerning its role as the former accounting firm of the Company.

**Article 178**

~~If the Company proposes to remove the accounting firm or not to renew the appointment thereof, it shall notify the accounting firm in advance, and the latter has the right to state its opinions to the shareholders' general meeting. If the accounting firm resigns, it shall make clear to the shareholders' general meeting whether there is any impropriety on the part of the Company.~~

**Article ~~179~~248**

The accounting firm may resign from its office by depositing the written notice of resignation at the registered office of the Company. The notice shall become effective on the date of such deposit or on such later date as may be stated in the notice. The notice shall contain the following statements:

- (I) A statement to the effect that there are no circumstances connected with its resignation that it considers must be brought to the attention of the shareholders or creditors of the Company;
- (II) A statement of any such circumstances that should be explained.

The Company shall, within 14 days of the receipt of the written notice referred to in sub-paragraph (II) of this Article, send a copy of the notice to the relevant competent authority. If the notice contains a statement under sub-paragraph (II) of the second paragraph of Article ~~177~~247 a copy of such statement shall be placed at the Company for shareholders' inspection. The Company shall also send a copy of such statement ~~by prepaid mail~~ electronically or in other forms to every holder of ~~overseas-listed foreign shares (namely being the shareholder~~

~~who is entitled to receive the financial report of the Company) at the address recorded in the register of shareholders.~~

If the accounting firm's notice of resignation contains a statement under sub-paragraph (II) of the second paragraph of this Article, the accounting firm may request the Board of Directors to convene an extraordinary general meeting for the purpose of giving an explanation of the circumstances in connection with its resignation.

## Chapter 18 Merger and Demerger of the Company

**Article 180**~~249~~ In the event of the merger or division of the Company, the Company's Board of Directors shall put forward a proposal and shall be approved in accordance with the procedures stipulated in the Company's Articles of Association. The Company shall then go through the relevant approval formalities pursuant to the law. Shareholders who oppose the plan of merger or division of the Company shall have the right to request the Company or the shareholders who consent to such plan to purchase their shares at a fair price. The content of the resolution of on the merger or division of the Company shall be contained in special documents which shall be available for inspection by the shareholders. The aforesaid documents shall be sent to each holder of overseas listed foreign shares by post.

**Article 181**~~250~~ The merger of the Company may take the form of either merger by absorption or merger by establishment of a new entity. The absorption of one company by another is a merger by absorption and the absorbed company is dissolved. The merger of two or more companies to create a new company is a de novo merger and the merging parties are dissolved.

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

Creditors have the right to demand the Company to settle its debts or provide corresponding guarantee within 30 days from the date it receives the above notice or within 45 days from the date of announcement if no such notice is received. ~~The Company may not proceed with merger without settlement of its debts or provision of corresponding guarantee.~~

Upon the merger, claims and debts of each of the merged parties shall be assumed by the company which survives the merger or the newly established company resulting from the merger.

**Article 182251** In the event of a division of the Company, its properties shall be divided up accordingly.

In the event of a division, the Company shall prepare balance sheets and inventories of assets. The Company shall notify its creditors within 10 days from the date on which a resolution is adopted in favour of the division and shall publish an announcement in a newspaper within 30 days from the date of such resolution. Creditors have the right to demand the Company to settle its debts or provide corresponding guarantee within 30 days from the date it receives the above notice or within 45 days from the date of announcement if no such notice is received. The Company may not proceed with division without settlement of its debts or provision of corresponding guarantee.

The debts of the Company before the demerger are jointly and severally liable to the Company after the demerger in accordance with the agreements reached. However, unless otherwise agreed in a written agreement reached between the Company and its creditors prior to the demerger, the Company shall not be liable for the debts of the Company after the demerger.~~The surviving companies after the division shall assume the indebtedness of the Company which has been incurred before such division according to agreement.~~

**Article 183252** The Company shall, in accordance with law, apply for change in its registration with the company registration authority~~Market Supervision Administration of Pudong New Area, Shanghai~~ where a change in any item in its registration as a result of any merger or demerger. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with law. Where a new company is established, the Company shall apply for registration thereof in accordance with law.

## Chapter 19 Dissolution and Liquidation of the Company

**Article 184253** In any of the following circumstances, the Company shall be dissolved:~~the Company shall be dissolved:~~

- (I) The expiration of the term of business provided for in the Articles of Association or the occurrence of other causes of dissolution provided for in the Articles of Association;
- (II) The shareholders' general meeting by special resolution dissolves the Company;
- (III) Dissolution is necessary due to a merger or division of the Company;

- ~~(IVH) Being suspended, ordered to close or revoked in accordance with the law. The Company is ordered to declare bankruptcy due to insolvency;~~
- ~~(IV) The Company is ordered to close due to breach of law or administrative regulations;~~
- (V) When the Company is experiencing material difficulties in operations, and its continual operation will lead to substantial loss to the benefits of the shareholders and no other solutions to resolve the matters, the shareholders, who aggregately hold more than 10% of total voting shares of the Company, can appeal to the people's court for dissolution of the Company

**Article 254**

If the Company is dissolved as a result of the provisions of the subparagraph (I) of preceding Article, it may survive by amending the Articles of Association. Amendments to the Articles of Association in accordance with the preceding paragraph shall be approved by more than two-thirds of the votes held by the shareholders present at a general meeting.

If the Company is dissolved as a result of the provisions of subparagraphs (I), (II), (IV) and (V) of the preceding Article, a liquidation committee shall be established within 15 days from the date on which the cause of dissolution arises to commence the liquidation. The liquidation committee shall be composed of personnel determined by the Board of Directors or the General Meeting. If a liquidation committee is not set up for liquidation after the deadline, the creditors may apply to the People's Court to appoint relevant persons to form a liquidation committee to carry out liquidation.

**Article 185**

~~Where the Company is dissolved pursuant to sub-paragraphs (I) and (V) of Article 184, a liquidation committee shall be formed within 15 days. The composition of the liquidation committee shall be determined by an ordinary resolution of the shareholders' general meeting. In case no such committee is established to timely proceed with liquidation, the creditors may make an application to a People's Court for appointing relevant persons to form the liquidation committee for liquidation.~~

~~Where the Company is dissolved pursuant to sub-paragraph (III) of Article 184, the People's Court shall appoint shareholders, relevant authorities and professionals to form a liquidation committee pursuant to the provisions of the relevant law for liquidation.~~

~~Where the Company is dissolved pursuant to sub-paragraph (IV) of Article 184, the relevant competent authority shall appoint shareholders, relevant authorities and professionals to form a liquidation committee for liquidation.~~

**Article 186**255

Where the Board of Directors decides to liquidate the Company for any reason other than the Company's declaration of its own bankruptcy, the Board of Directors shall include a statement in its notice convening a shareholders' general meeting to consider the proposal to the effect that the Board of Directors has conducted a comprehensive investigation into the affairs of the Company and is of the opinion that the Company will be able to pay its debts in full within 12 months from the commencement of the liquidation.

Upon the passing of the resolution by the shareholders' general meeting for the liquidation of the Company, all functions and powers of the Board of Directors shall cease.

The liquidation committee shall act in accordance with the instructions of the shareholders' general meeting and report at least once every year to the shareholders' general meeting on the committee's income and expenses, the business of the Company and the progress of the liquidation; and to present a final report to the shareholders' general meeting on completion of the liquidation.

**Article 187**256

The liquidation committee shall notify creditors within 10 days from the date of its establishment and publish announcements in newspapers within 60 days. The liquidation committee shall register any claims.

**Article 188**257

The creditors may declare their claims to the liquidation committee within 30 days from the date it receives the above notice or within 45 days from the date of announcement if no such notice is received. When declaring the claims, the creditors shall specify the relevant matters about the claims and provide corresponding evidence. The liquidation committee shall register claims. The liquidation committee may not satisfy creditors during the period of filing claims.

**Article 189**258

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

- (I) To liquidate the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (II) To notify creditors by sending notice and making public announcement;

- (III) To deal with and settle any outstanding businesses of the Company;
- (IV) To pay outstanding taxes and taxes incurred in the liquidation process;
- (V) To settle claims and debts;
- (VI) To dispose of the remaining assets of the Company after the repayment of debts;
- (VII) To represent the Company in any civil proceedings.

**Article 190259**

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

The remaining assets of the Company's property after payment of liquidation expenses, employees' salaries, social insurance premiums and statutory compensation, payment of outstanding taxes and settlement of the Company's debts, respectively, shall be distributed by the Company in accordance with the proportion of shares held by the shareholders.

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

The property of the Company shall not be distributed to the shareholders until it has been liquidated in accordance with the preceding paragraph.

~~The assets of the Company shall be submitted for liquidation in the order provided by the law and regulations. If there are no applicable laws, liquidation shall proceed in a fair and reasonable order determined by the liquidation committee.~~

~~The remaining assets of the Company after repayment of its debts in accordance with the preceding provision shall be distributed to the shareholders of the Company according to the class of shares held by them and in proportion to their respective shareholdings. During the liquidation period, the Company shall not commence any new business activities.~~

**Article ~~191~~260** If, after sorting out the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee discovers that the Company's assets are insufficient to repay the Company's debts in full, the liquidation committee shall immediately apply to a People's Court for declaration of bankruptcy. After the Company is declared bankrupt by a ruling from a People's Court, the liquidation committee shall handover the liquidation matters to the People's Court.

**Article 261** The members of the liquidation committee shall perform their duties faithfully and fulfill their obligations in accordance with the law. The members of the liquidation committee shall not use their authority to accept bribes or other illegal income, and shall not misappropriate company property. The members of the liquidation committee shall be liable for damages caused to the Company or creditors due to their willfulness or gross negligence.

**Article 262** If the Company is legally declared bankrupt, the bankruptcy liquidation shall be implemented in accordance with the laws relating to corporate bankruptcy.

**Article ~~192~~263** Upon completion of the liquidation of the Company, the liquidation committee shall produce a liquidation report, report 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 the Company's registration and announce the termination of the Company.~~Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, a statement of the income and expenses during the liquidation period and financial accounts, which shall be verified by a certified public accountant of the People's Republic of China, and then submitted to the shareholders' general meeting or a People's Court for confirmation.~~

The liquidation committee shall, within thirty days from the date of confirmation by the General Meeting or the relevant competent authority, submit the aforesaid documents to the Company's registration authority, apply for cancellation of the Company's registration and announce the termination of the Company. Furthermore, within 30 days of the date of confirmation by the shareholders' general meeting or the People's Court, the aforesaid documents shall be submitted to the Market Supervision Administration of Pudong New Area, Shanghai for application for cancelling the registration of the Company and a public announcement shall be made for the termination of the Company.



## Chapter 20 Amendments to the Articles of Association

**Article 193**~~264~~ The Company shall amend its Articles of Association if any of the following circumstances apply:

- (I) When the Company Law or relevant laws and administrative regulations, the Listing Rules and other securities regulatory rules of the place where the Company's shares are listed have been amended, the matters stipulated in the Articles of Association are in conflict with the provisions of the amended laws and administrative regulations;
- (II) Changes in the circumstances of the Company which are inconsistent with the matters recorded in the Articles of Association;
- (III) The General Meeting decides to amend the Articles of Association. The Company may amend the Articles of Association according to the provisions of the law, administrative regulations and the Articles of Association.

**Article 194**~~265~~ If the amendment of the Articles of Association adopted by resolution of the General Meeting shall be subject to the approval of the competent authorities, it shall be submitted to the competent authorities for approval; and if it involves matters of company registration, the change shall be registered in accordance with the law.

~~Amendments to the Articles of Association that involve the contents of the Mandatory Provisions shall become effective upon approval by the approving department authorized by the State Council and securities committee of the State Council; Where amendment involves the registered particulars of the Company, application shall be made for alteration of registration in accordance with the law.~~

**Article 266** The Board of Directors shall amend the Articles of Association in accordance with the resolution of the General Meeting to amend the Articles of Association and the approval of the relevant competent authorities.

**Article 267** Matters of amendment to the Articles of Association are information required to be disclosed by laws and regulations and shall be announced in accordance with the regulations.

## Chapter 21 Settlement of Disputes

**Article 195268** The Company shall abide by the following principles for settlement of disputes:

- (I) Whenever any disputes or claims arise from the Articles of Association or any rights or obligations conferred or imposed by the Company Law or other relevant laws and administrative regulations concerning the affairs of the Company between (i) the Company and its directors or supervisors or officers; and (ii) a holder of foreign shares (including holders of overseas listed foreign shares and non-listed foreign shares) and the Company's holder of foreign shares (including holders of overseas listed foreign shares and non-listed foreign shares) and the Company's directors, supervisors, managers or other senior management officers, a holder of overseas listed shares and a holder of non-listed foreign shares and a holder of domestic shares, the parties concerned shall resolve such disputes and claims through arbitration.

Where a dispute or claim described above is referred to arbitration, the entire dispute or claim shall be resolved through arbitration; all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, if they are the company or shareholders, directors, supervisors, managers or other officers of the company, shall submit to arbitration.

Disputes over who is a shareholder and over the share register do not have to be resolved through arbitration.

- (II) A claimant may elect that arbitration be carried out at either the China International Economic and Trade Arbitration Commission in accordance with its Arbitration Rules or the Hong Kong International Arbitration Centre in accordance with Securities Arbitration Rules.

Once a claimant refers a dispute or claim of rights to arbitration, the other party must submit to the arbitral body elected by the claimant.

If a claimant elects arbitration to be carried out at the Hong Kong International Arbitration Centre, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Centre.

- (III) If any disputes or claims of rights arising from the sub-paragraph (I) above are settled by way of arbitration, the laws of the People's Republic of China shall apply, unless otherwise provided in the law and administrative regulations.
- (IV) The award of an arbitral body shall be final and conclusive and binding on all parties.

## Chapter 22 Supplementary Provisions

### Article 269

A notice from the Company can be given in the following form:

- (I) Delivered in person;
- (II) Sent by mail;
- (III) By fax or e-mail;
- (IV) Subject to compliance with laws and administrative regulations and the listing rules of the stock exchange on which the Company's shares are listed, by way of publication on the websites designated by the Company and the Hong Kong Stock Exchange;
- (V) By announcement;
- (VI) In such other form as the Company or the person to be notified may agree in advance or as the person to be notified may recognize upon receipt of the notice;
- (VII) Other forms acceptable to the relevant regulatory authorities of the place where the Company's shares are listed or as provided for in the Articles of Association.

Unless the context otherwise requires, a notice issued by the Company to shareholders of foreign shares listed abroad by way of an announcement shall, on the same day as required by the local listing rules, be submitted to the Hong Kong Stock Exchange through the electronic listing System of the Hong Kong Stock Exchange in an electronic version ready for immediate publication for publication on the website of the Hong Kong Stock Exchange. The announcement must also be published on the company's website.

In respect of the manner in which corporate communications are made available and/or distributed by the Company to its shareholders in accordance with the requirements of the Main Board Listing Rules, corporate communications may be sent or made available to the shareholders of the Company by electronic means, by means of information posted on the Company's website or by post in accordance with the relevant provisions of the relevant laws and regulations and the Main Board Listing Rules as amended from time to time. Corporate communications include, but are not limited to: Circulars, annual reports, interim reports, quarterly reports, notices of General Meetings and other corporate communications as set out in the Main Board Listing Rules.

Shareholders of the Company's foreign listed foreign shares may also elect in writing to receive printed copies of the above corporate communications by mail.

**Article 196** ~~Unless otherwise provided by the Articles of Association, any notice, information or written statement issued by the Company to holders of H Shares shall be dispatched in person or by post (posting from Hong Kong to the extent possible) to the registered address (including any address outside Hong Kong) of each holder of H Shares.~~

~~Publications of announcements referred to in the Articles of Association shall be publications specified or required by the relevant laws and administrative regulations of China.~~

**Article 197**270 In the Articles of Association, the meaning of the term "accounting firm" is the same as that of "auditor".

**Article 198**271 The Articles of Association are written in Chinese and English with equal legal force. Should there be any discrepancy, the latest Chinese version to be approved and registered with the Company's registration authority~~Market Supervision Administration of Pudong New Area, Shanghai~~ shall prevail.

**Article 199**272 The power of interpretation of the Articles of Association shall be vested in the Company's Board of Directors. Any matters not addressed in the Articles of Association shall be proposed by the Board of Directors at the shareholders' general meeting for approval.

**Article 200**73 In the Articles of Association, the meaning of "no less than", "within" or "no more than" includes the underlying number, while "more than" or "beyond" does not include the underlying number.

Article 274      Any notice issued by the Company by way of an announcement shall be deemed to have been received by all relevant parties upon its announcement.

Article 275      The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the meeting and the resolutions passed at the meeting.

Article 276      If a corporate notice is delivered by hand, the person to be served shall sign (or affix a seal) on the acknowledgement of delivery, and the date of receipt signed by the person to be served shall be the date of service; if a corporate notice is delivered by mail, the 48th hour from the date of delivery to the post office shall be the date of service; if a corporate notice is sent by facsimile or e-mail or published on a website, the date of issuance shall be the date of service; and if a corporate notice is delivered by means of a public announcement, the date of publication of the first public announcement shall be the date of service. The announcement shall be published in an information disclosure medium that complies with the relevant requirements.

Article 277      Interpretation:

(I)      A de facto controller is a person who is not a shareholder of the Company, but who, through an investment relationship, agreement or other arrangement, is able to actually dictate the Company's behavior.

(II)      Affiliated/connected relationships refer to the relationships between the Company's controlling shareholders, de facto controllers, directors, supervisors and senior management and the enterprises they directly or indirectly control, as well as other relationships that may result in the transfer of the Company's interests. However, state-controlled enterprises are related to each other not only because they are also state-controlled.

In relation to the above interpretation, the Listing Rules and the regulatory rules of the place where the Company's shares are listed shall apply wherever they provide otherwise.

Article 278      The board of directors may formulate detailed rules of the Company in accordance with the provisions of the Articles of Association. These detailed rules shall not conflict with the provisions of the Articles of Association.

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## NOTICE OF 2023 ANNUAL GENERAL MEETING

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### Shanghai Bio-heart Biological Technology Co., Ltd. 上海百心安生物技術股份有限公司

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2185)**

## NOTICE OF 2023 ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 2023 annual general meeting (the “**AGM**”) of Shanghai Bio-heart Biological Technology Co., Ltd. (the “**Company**”) will be held at Room 302, 3/F, Building 4, No. 590 Ruiqing Road, East Zhangjiang Hi-Tech Park, Pudong New Area, Shanghai, PRC on Friday, June 21, 2024, at 2:00 p.m. for the purpose of considering, and if thought fit, passing the following resolutions:

### ORDINARY RESOLUTIONS

1. To consider and approve the work report of board of directors of the Company (the “**Board**”) for 2023.
2. To consider and approve the work report of supervisory committee (the “**Supervisory Committee**”) of the Company for 2023.
3. To consider and approve the profit distribution plan of the Company for 2023.
4. To consider and approve the audited consolidated financial statements of the Company for 2023.
5. To consider and approve the annual report of the Company for 2023.
6. To consider and approve the re-appointment of Ernst & Young Hua Ming LLP as the domestic auditor of the Company and Ernst & Young as the international auditor of the Company for a term until the conclusion of the next annual general meeting of the Company and to authorize the Board to determine their respective remuneration.
7. To consider and approve the appointment of Mr. Yiqing CHEN (陳軼青) as an independent non-executive director of the second session of the Board of Directors and to authorize the Board to determine his remuneration.
8. To consider and approve the appointment of Mr. Yifei JIANG (蔣一斐) as an independent non-executive director of the second session of the Board of Directors and to authorize the Board to determine his remuneration.
9. To authorize the Board to determine the remunerations of Directors.
10. To authorize the Supervisory Committee to determine the remunerations of the Supervisors.

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## NOTICE OF 2023 ANNUAL GENERAL MEETING

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### SPECIAL RESOLUTIONS

11. To consider and approve the proposed amendments to the articles of association of the Company.
12. To consider and approve the Company to issue additional H Shares and/or additional Unlisted Foreign Shares, in the share capital of the Company (“**Additional Shares**”) and to grant to the Board a general mandate (“**General Mandate**”), subject to terms and conditions set out in this resolution, for the exercise by the Board during the Relevant Period (as defined below) of powers to allot or issue Additional Shares and/or make offers, agreements or options which might require the issue, allotment or disposal of Additional Shares (such Additional Shares being subject to a maximum of 20% of the respective aggregate number of issued H Shares and Unlisted Foreign Shares of the Company as at the date of approval of this resolution), and to make or grant offers or agreements in respect of such Additional Shares:
  - (1) To consider and approve the Company to issue additional H Shares and/or additional Unlisted Foreign Shares in the share capital of the Company and to grant to the Board a general mandate, subject to terms and conditions set out, to allot or issue Additional Shares and/or make offers, agreements or options which might require the issue, allotment or disposal of Additional Shares and to make or grant offers or agreements in respect of such Additional Shares:
    - i. such General Mandate shall not extend beyond the Relevant Period (as defined in (iv)) save that the Board may during the Relevant Period make or grant offers or agreements which might require the exercise of such powers after the end of the Relevant Period;
    - ii. the total number of shares of the Company approved to be allotted or agreed conditionally or unconditionally to be allotted by the Board, shall not exceed: (a) 20% of the total number of H Shares of the Company in issue at the date of the passing of this resolution; and/or (b) 20% of the total number of Unlisted Foreign Shares of the Company in issue at the date of the passing of this resolution, otherwise than pursuant to any scrip dividend scheme or similar arrangement providing for the allotment of such shares of the Company in lieu of the whole or part of a dividend on such shares in accordance with the articles of association of the Company;
    - iii. the Board will only exercise its power under such mandate in accordance with the relevant laws and regulations of the PRC (as amended from time to time) and the Listing Rules and only if all necessary approvals from the China Securities Regulatory Commission, The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and/or other relevant PRC government authorities are obtained; and

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## NOTICE OF 2023 ANNUAL GENERAL MEETING

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iv. for the purposes of this resolution:

“**H Shares**” means the overseas listed foreign shares with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Stock Exchange and subscribed for and traded in Hong Kong dollars;

“**Unlisted Foreign Shares**” means the ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are held by foreign investors and are not listed on any stock exchange;

“**Relevant Period**” means the period from the passing of this resolution until the earlier of:

- (a) the conclusion of the 2024 annual general meeting of the Company following the passing of this resolution; or
- (b) the date on which the authority conferred by this resolution is revoked or varied by a special resolution in a general meeting of the Company.

(2) Subject to the Board issuing additional H Shares and/or additional Unlisted Foreign Shares pursuant to this resolution, the Board be authorized to:

- i. approve, execute and do or procure to be executed and done, all documents, deeds and things as it may consider necessary in connection with the issue of such new shares of the Company (including, but not limited to the time, price, quantity and place of issue, making all necessary applications to the relevant authorities, entering into an underwriting agreement or any other agreement);
- ii. determine the use of proceeds and make all necessary filing, registration and applications with or to the relevant authorities in the PRC and/or Hong Kong (if required);
- iii. determine the registered capital and the number of shares of the Company pursuant to the issue or allotment of shares pursuant to this resolution, and register with the relevant authorities in the PRC and/or Hong Kong upon an increase of registered capital and the number of shares of the Company; and



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## NOTICE OF 2023 ANNUAL GENERAL MEETING

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- iv. make amendments to the articles of association of the Company accordingly as it thinks fit so as to reflect relevant matters such as the registered capital and new capital structure of the Company after the issue and allotment of shares of the Company.

By order of the Board  
**Shanghai Bio-heart Biological Technology Co., Ltd.**  
**Philip Li WANG**  
*Chairman and executive Director*

Shanghai, the People's Republic of China, May 30, 2024

As at the date of this notice, the Board comprises:

*Executive Directors:*

Mr. Philip Li WANG (*Chairman*)

Mr. Yunqing WANG

Ms. Peili WANG

*Independent Non-executive Directors:*

Mr. Charles Sheung Wai CHAN

Mr. Xubo LU

Mr. Wing Yiu DJEN

*Notes:*

**1. Closure of register of members of H Shares and ascertaining of eligibility for attending the AGM**

The register of members of H Shares of the Company has been closed since Wednesday, May 22, 2024 to Friday, June 21, 2024, both days inclusive, during which no transfer of H Shares will be registered, in order to determine the holders of the H Shares who are entitled to attend and vote at the forthcoming AGM. To be eligible to attend and vote at the AGM, all properly completed transfer documents, accompanied by relevant share certificate(s), must have been lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Tuesday, May 21, 2024 for registration.

**2. Proxy**

- (1) Each shareholder entitled to attend and vote at the AGM may appoint one or more proxies in writing to attend and vote at the meeting on his behalf. A proxy need not be a shareholder of the Company.
- (2) The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorized in writing, or if the appointor is a legal entity, either under seal or signed by a director or a duly authorized attorney. If that instrument is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign or other document of authorisation must be notarised.
- (3) To be valid, the form of proxy and notarised power of attorney or other document of authorisation (if any) must be delivered to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited (if any) at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (in case of holders of H Shares) or the Company's registered office at Room 302, 3/F, Building 4, No. 590 Ruiqing Road, East Zhangjiang Hi-Tech Park, Pudong New Area,

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## NOTICE OF 2023 ANNUAL GENERAL MEETING

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Shanghai, PRC (in case of holders of Unlisted Foreign Shares) not less than 24 hours before the time appointed for the AGM (i.e. no later than 2:00 p.m. on Thursday, June 20, 2024) or any adjournment thereof (as the case may be). Completion and return of the proxy will not preclude shareholders from attending and vote at the meeting should they wish to do so.

- (4) Any voting at the AGM shall be taken by poll.

### 3. Registration procedures for attending the AGM

- (1) Shareholders of the Company whose names appear on the register of members of the Company on June 21, 2024 will be entitled to attend and vote at the AGM or any adjourned meetings.
- (2) A shareholder or his proxy should present proof of identity when attending the AGM. If a shareholder is a legal person, its legal representative or other person authorized by the Board or other governing body of such shareholder may attend the AGM by providing a copy of the resolution of the Board or other governing body of such shareholder appointing such person to attend the meeting.
- (3) Shareholders or proxies attending the AGM should state clearly, in respect of each resolution requiring a vote, whether they are voting for or against a resolution. The votes abstained will be counted in the calculation of the required majority.

Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the AGM, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the shares shall alone be entitled to vote in respect thereof.

### 4. Voting method at the AGM

According to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a shareholders' general meeting must be taken by poll. Accordingly, the chairman of the AGM will demand a poll in relation to all the proposed resolutions at the AGM.

### 5. Miscellaneous

- (1) The AGM is expected to take no more than half a day. Shareholders who attend the AGM shall bear their own travelling and accommodation expenses.

- (2) The address of the Company's H Share Registrar is:

Shops 1712-1716, 17th Floor, Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong

- (3) The address and contact details of the Company's registered office is:

Room 302, 3/F, Building 4  
No. 590 Ruiqing Road, East Zhangjiang Hi-Tech Park  
Pudong New Area, Shanghai  
The People's Republic of China

Telephone: (86) 021-68798511  
Facsimile: (86) 021-50720533-8016  
Email: info@bio-heart.com

- (4) All times and dates set out in this notice refer to Hong Kong local times and dates.