

**SHANDONG WEIGAO GROUP MEDICAL POLYMER COMPANY LIMITED**

**ARTICLES OF ASSOCIATION**

Adopted on 17 October 2025

If there is any inconsistency between the English translation and the Chinese version of this document, the Chinese version shall prevail.

## CONTENTS

<b>CHAPTER 1 GENERAL PROVISIONS</b>	1
<b>CHAPTER 2 OBJECTS AND SCOPE OF BUSINESS</b>	2
<b>CHAPTER 3 SHARES</b>	3
<b>CHAPTER 4 SHAREHOLDERS AND GENERAL MEETINGS</b>	9
<b>CHAPTER 5 BOARD OF DIRECTORS</b>	21
<b>CHAPTER 6 SECRETARY TO THE BOARD OF DIRECTORS OF THE COMPANY</b>	25
<b>CHAPTER 7 OTHER SENIOR MANAGEMENT</b>	26
<b>CHAPTER 8 SUPERVISORY COMMITTEE</b>	26
<b>CHAPTER 9 QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, SUPERVISORS, GENERAL MANAGERS AND OTHER SENIOR MANAGEMENT OF THE COMPANY</b>	28
<b>CHAPTER 10 FINANCIAL ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION</b>	32
<b>CHAPTER 11 NOTICES AND ANNOUNCEMENTS</b>	36
<b>CHAPTER 12 MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION</b>	37
<b>CHAPTER 13 AMENDMENTS TO THE ARTICLES OF ASSOCIATION</b>	40
<b>CHAPTER 14 MISCELLANEOUS</b>	40

## CHAPTER 1 GENERAL PROVISIONS

**Article 1** To safeguard the legitimate rights and interests of Shandong Weigao Group Medical Polymer Company Limited (the "Company"), the shareholders, the employees and creditors of the Company and regulate the organization and activities of the Company, the Articles of Association (the "Articles of Association" or "these Articles of Association") are formulated in accordance with the Company Law of the PRC (中華人民共和國公司法) (the "Company Law"), the Securities Law of the PRC (中華人民共和國證券法) (the "Securities Law"), the Trial Administrative Measures of Overseas Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules") and other relevant laws, administrative regulations, departmental rules, regulatory documents and relevant requirements of the regulatory authority and pursuant to the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》).

**Article 2** The Company has been established pursuant to Company Law and the relevant laws, rules and regulations in the PRC in regulating the establishment of a joint stock company. The establishment of the joint stock company was approved by the Provincial Government of Shandong under the certificate "Lu [2000]53. and it was established on 27 December 2000 under the promotion shares on 28 December 2000. The business registration number is: 91370000726685299F.

**Article 3** Approved by the China Securities Regulatory Commission (the "CSRC"), the Company was listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") in February 2004, and was subsequently transferred to the Main Board in July 2010 and delisted from the GEM of the Hong Kong Stock Exchange.

**Article 4** The Chinese registered name of the Company is 山東威高集團醫用高分子製品股份有限公司, and its English registered name is SHANDONG WEIGAO GROUP MEDICAL POLYMER CO., LTD.

**Article 5** Address of the Company: 1 Weihai Road, Weihai Torch Hi-Tech Science Park, Shandong, the PRC

Post Code: 264210

Telephone No.: 0631-562-2517

Facsimile No.: 0631-562-0555

**Article 6** The registered capital of the Company is RMB457,063,232.40.

**Article 7** The legal representative of the Company is the chairman of the Company.

**Article 8** The Company is a perpetual joint stock limited company.

**Article 9** The Company is an independent corporate legal person. All the Company's acts shall comply with the PRC laws, rules and regulations and safeguard the lawful interests of its shareholders. The Company shall be governed and protected by the PRC laws, rules and regulations.

**Article 10** The entire capital of the Company is divided into equal shares. The liabilities assumed by the shareholders of the Company shall be limited to the extent of the shares held by them. The Company shall be liable to its creditors to the extent of all of its assets.

The Company may invest in other limited liability companies and joint stock limited companies, and the Company's liabilities with respect to such companies are limited to the amount invested.

**Article 11** The Articles of Association of the Company became effective after being approved by shareholders in General Meeting by way of special resolution and (where necessary) by relevant competent authority in accordance with relevant laws and regulations of the PRC.

**Article 12** From the date of these Articles of Association becoming effective, these Articles of Association (including future amendments to the articles of association) constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and each shareholder and among the shareholders.

**Article 13** The Articles of Association are binding upon the Company and its shareholders, directors, supervisors, general managers and other senior management of the Company; all of whom are entitled to raise issues regarding the affairs of the Company in accordance with the Articles of Association.

A shareholder can raise any action against the Company pursuant to the Articles of Association and, by shareholders against each other, by a shareholder against the directors, supervisors, general managers and other senior management of the Company; by the Company against shareholders, the directors, supervisors, general managers and other senior management of the Company.

The actions referred to in the preceding paragraph include court proceedings and arbitration proceedings.

**Article 14** Employees of the Company may form a trade union in accordance with the law, participate in union activities and protect workers' legal rights and interests. The Company shall provide necessary conditions for the activities of the trade union of the Company.

## CHAPTER 2 OBJECTS AND SCOPE OF BUSINESS

**Article 15** The objects of business of the Company are: people-oriented, focusing on technology and responsible for its own management decisions, and profits and losses.

**Article 16** Scope of business and licensed items: manufacture of Class II medical devices; manufacture of Class III medical devices; operation of Class III medical devices; production of protective goods for healthcare workers (Class II medical devices); production of medical masks; manufacture of special-purpose equipment; manufacture of road motor vehicles; production of disinfectants (excluding dangerous chemicals); rental of Class III medical devices; internet information services for medical devices; sale of sterilising equipment; wholesale of pharmaceuticals; retail of pharmaceuticals; wastewater treatment and its recycling; road cargo transportation (excluding dangerous goods); manufacture of pharmaceuticals (excluding the application of concoction techniques such as steaming, frying, roasting and calcination of Chinese medicine tablets and the production of confidential prescription products of proprietary Chinese medicines). (business activities shall be able to commence for items subject to approval in accordance with the law upon the approval of the relevant departments, and the specific operating items shall be subject to the approval documents or licenses of the relevant departments).

General items: manufacture of Class I medical devices; sale of Class I medical devices; sale of Class II medical devices; wholesale of protective goods for healthcare workers; retail of protective goods for healthcare workers; production of protective goods for healthcare workers (Class I medical devices); sale of personal hygiene products; sale of hygiene products and disposable medical supplies; wholesale of medical masks; retail of medical masks; production of daily masks (non-medical); sale of daily masks (non-medical); sale of daily commodities; retail of cosmetics; wholesale of cosmetics; sale of packaging materials and products; manufacture of medical packaging materials; manufacture of plastic products; sale of plastic products; manufacture of rubber products; sale of new motor vehicles; manufacture of maternal and child products; sale of maternal and child products; manufacture of moulds; sale of moulds; sale of disinfectants (excluding dangerous chemicals); sale of special equipment for environmental protection; wholesale of hardware products; retail of hardware products; sale of household

appliances; retail of computer software and hardware and ancillary equipment; sale of machinery and equipment; rental of Class II medical devices; rental of machinery and equipment; repair of special equipment; manufacture of special equipment (excluding manufacture of licensed professional equipment); manufacture of electronic special equipment; sale of electronic products; maintenance of electronic and mechanical equipment (excluding special-purpose equipment); technical services, technical development, technical consultation, technical exchange, technical transfer and technical promotion; network technical services; internet of things application services; sale of artificial intelligence hardware; sale of software; import and export of goods; import and export of technology; professional cleaning, washing and sterilising services; manufacture of high performance fibres and composites; sale of high performance fibres and composites; sale of office supplies; sale of office equipment; sale of office equipment consumables; sale of paper products; laundry services; sale of special chemical products (excluding dangerous chemicals); general cargo storage services (excluding dangerous chemicals and other items requiring licensing approval); sale of instruments and meters. (independently carry out business activities according to law with the business license, except for items subject to approval in accordance with the law).

**Article 17** The Company shall amend these Articles of Association according to laws and may amend its scope of operations upon the approval of the relevant competent authorities and change of registration at the Weihai Administration for Market Regulation.

## CHAPTER 3 SHARES

### Section 1 Share Issuance

**Article 18** The shares of the Company are in the form of share certificates.

**Article 19** The Company shall issue shares in the principles of openness, fairness and impartiality, and each share of the same class shall have the same rights.

For shares issued at the same time and within the same class, the conditions and price per share must be the same; for the shares subscribed by subscribers, the price per share paid must be the same.

**Article 20** All the shares issued by the Company are par shares and each share has a par value of RMB0.1.

**Article 21** Of the shares issued by the Company, domestic shares shall be centrally registered and deposited with domestic securities registration and settlement institutions, and matters such as the registration and settlement arrangements for overseas listed shares shall be governed by the regulations of the place where the Company's shares are listed.

**Article 22** At the time of establishment of the Company, the names of the promoters, the amount of the shares held by them, their shareholding percentage, capital contribution methods and time of contribution are set out in the following table:

No.	Name of the promoter	Number of shares held ('0,000 shares)	Shareholding percentage (%)	Contribution method	Time of contribution
1	Weigao Holding Company Limited	5,400	90%	Net assets	2000.12.01
2	Chen Lin	234	3.9%	Monetary fund	2000.12.18
3	Zhang Huawei	108	1.8%	Monetary fund	2000.12.18
4	Miao Yan Guo	78	1.3%	Monetary fund	2000.12.18
5	Wang Yi	78	1.3%	Monetary fund	2000.12.18
6	Zhou ShuHua	51	0.85%	Monetary fund	2000.12.18
7	Wang Zhi Fan	27	0.45%	Monetary fund	2000.12.19
8	Wu Chuan Ming	24	0.40%	Monetary fund	2000.12.19
	Total	6,000	100.00%	/	/

**Article 23** Subject to compliance with laws, regulations and the requirements of the securities regulatory authorities or other relevant regulatory bodies, the Company may issue shares to investors domestically and to investors outside the PRC.

The aforementioned investors outside the PRC refer to investors in foreign countries, Hong Kong, Macau and Taiwan regions who are subscribing shares of the Company. Domestic investors refer to investors in the People's Republic of China, excluding the aforementioned regions, who are subscribing shares of the Company.

**Article 24** Shares issued to domestic investors by the Company for subscription in Renminbi are known as domestic invested shares.

Shares issued to overseas investors by the Company for subscription in foreign currency, and shares held by foreign investors, or shares that are being transferred from domestic invested shareholders of the Company are known as foreign invested shares; those foreign invested shares, that are listed overseas are known as overseas listed foreign invested shares and those that are not listed overseas are known as non-listed foreign invested shares. Those shares filed with the regulatory authorities authorized by the State Council and approved by the overseas securities regulatory authorities and listed and traded on the overseas stock exchanges are known as overseas listed shares.

Unless otherwise required in this Articles of Association, shareholders of domestic invested shares and foreign invested shares are holders of ordinary shares sharing the same obligations and rights.

**Article 25** The share capital structure of the Company is as follows: The total number of issued ordinary shares is 4,570,632,324 shares. Among such shares, 4,522,332,324 ordinary shares are overseas listed shares, representing 98.94% of the total ordinary shares issued by the Company, and 48,300,000 ordinary shares are domestic shares, representing 1.06% of the total ordinary shares issued by the Company.

**Article 26** After complying with the conditions (if any) stipulated in the laws, regulations and the regulatory rules of the place where the Company's shares are listed, non-listed shares of the Company may be converted into overseas listed foreign invested shares and be listed and traded overseas. The aforesaid shares shall be listed and traded on overseas stock exchanges and shall also comply with the regulatory procedures, rules and requirements of the overseas stock market. The aforesaid situations where shares are listed on the overseas stock market. The aforesaid situations where shares are listed on the overseas stock exchanges do not required passing of resolutions at a general meeting.

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

**Article 27** The Company may, pursuant to its operational and developmental requirements, increase its capital by way of the following methods upon the resolution at the general meeting in accordance with the provisions of the laws and regulations:

- (I) Issue of shares to unspecified parties;
- (II) Issue of shares to specified parties;
- (III) Distribution of bonus issue of shares to existing shareholders;
- (IV) Capitalisation of Common Reserve Fund;
- (V) Other ways as permitted by applicable laws, administrative regulations and the regulatory rules of the place where the Company's shares are listed and stipulated by CHINA SECURITIES REGULATORY COMMISSION.

The resolution to increase the Company's capital shall be made in accordance with the procedural requirements as stated in its Articles of Association and subject to such resolution being passed, the procedures involved in increasing capital shall be carried out in accordance with all relevant laws, administrative regulations and the regulatory rules of the place where the Company's shares are listed.

**Article 28** The Company shall sell the shares of which the holder(s) is or are untraceable and shall keep the proceeds, provided that:

- (I) the dividends proposed under the relevant shares are due for payment at least three times within twelve years, and the shareholder(s) does not or do not claim any of the dividend; and
- (II) after the expiration of twelve years, the Company shall publish an advertisement in newspapers indicating the intention to sell the shares hereof and informs CHINA SECURITIES REGULATORY COMMISSION and relevant overseas securities regulatory authorities according to this Articles of Associations.

**Article 29** Registered capital reduction of the Company proceeds in accordance with the procedures provided in the Company Law, Hong Kong Listing Rules and other relevant requirements and the Articles of Association.

**Article 30** Under the following circumstances, and upon obtaining approval in accordance with this Articles of Association and from the relevant government supervisory authorities (if necessary), the Company may repurchase its issued shares:

- (I) for the purpose of reducing its capital;
- (II) in the event of a merger with other companies which are holding the shares of the Company;
- (III) the shares shall be used for the employee shareholding scheme or equity incentive;
- (IV) in the event of opposition by a shareholder in general meetings in respect of a resolution for the merger or division of the Company, such shareholder can request the Company to repurchase his shares;
- (V) the shares shall be used for conversion into convertible corporate bonds issued by companies;
- (VI) necessary for safeguarding the value and shareholders' interests of companies.

Upon the repurchase of the Company's shares as afore said, for repurchase pursuant to item (I), the repurchased shares should be cancelled within 10 days from the date of repurchase, for repurchase pursuant to items (II), (IV), such shares shall be transferred or cancelled within 6 months of the repurchase date.

For repurchase of the Company's shares pursuant to items (III), (V), (VI) by the Company, the number of shares of the Company held by the Company in the aggregate shall not exceed 10% of the Company's total issued shares, and shall be transferred or cancelled within three year.

**Article 31** The Company may repurchase its Shares through open centralized trading or other methods as permitted by laws, administrative regulations and the regulatory rules of the place where the Company's shares are listed and the CSRC;

Buyback of the Company's shares under the circumstances as provided in items (III), (V) and (VI) of paragraph 1 of Article 30 shall be conducted through open centralized trading.

**Article 32** If the repurchase is made for reasons set out in items (I), (II) of Article 30 of the Articles of Association, the prior approval shall be obtained from the general meeting in accordance with the provisions of the Articles of Association. If the repurchase is made for reasons set out in items (III), (V) or (VI) of Article 30 of the Articles of Association, it shall be approved by resolution passing by two-thirds of the votes cast by the directors attending the board meeting.

If relevant matters involved in the repurchase of shares and treasury shares (whether as defined

under the Company Law or Hong Kong Listing Rules) aforementioned are otherwise required by the laws, regulations, the regulatory rules of the place where the Company's shares are listed, the Articles of Association, such requirements and regulations shall prevail.

**Article 33** Upon the repurchase of the Company's shares according to law, the Company must in accordance with applicable law, administrative regulations and the regulatory rules of the place where the Company's shares are listed cancel or transfer such repurchased shares or hold them as treasury shares in accordance with Hong Kong Listing Rules, and must apply to Weihai Administration for Market Regulation for the registration of the changes in the Company's registered capital and issue a public notice stating so. The nominal value of the shares so cancelled must be deducted from the Company's registered capital. If relevant matters involved in the repurchase of shares and treasury shares (whether as defined under the Company Law or the Hong Kong Listing Rules) aforementioned are otherwise required by the laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed, these Articles of Association, such requirements and regulations shall prevail.

Save as otherwise provided by the Hong Kong Listing Rules, the Company Law or relevant laws and regulation, treasury shares shall not be entitled to vote, directly or indirectly, at any meeting of the Company, and shall not be included in determining the total number of issued shares at any given time. The Company shall not exercise any right in respect of the treasury shares, and no dividend may be declared or distributed in respect of a treasury share.

**Article 34** The Company must comply with the requirements of the laws, administrative regulations and the regulatory rules of the place where the Company's shares are listed and the CSRC in relation to repurchase of its outstanding shares:

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

**Article 35** Unless otherwise provided by the laws, administrative regulations and the regulatory rules of the place where the Company's shares are listed, the Company's shares shall be transferred in accordance with the laws.

**Article 36** The Company shall not accept any of its own shares as the subject of pledge right.

**Article 37** Shares issued prior to the Company's public offering of shares shall not be transferred for a period of one year from the date of listing and trading of the Company's shares on the stock exchange. If the transfer of shares of the Company held by Shareholders or actual controllers of a listed company are otherwise required by laws, administrative regulations or the securities regulatory authorities of the State Council, the regulatory rules of the place where the Company's shares are listed, such requirements and regulations shall prevail.

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

If there are other requirements for restrictions on the transfer of shares imposed by the laws, administrative regulations or the regulatory rules of the place where the Company's shares are listed, such requirements shall prevail.

**Article 38** All fully paid overseas listed foreign shares listed on Hong Kong Stock Exchange may be transferred freely in accordance with these Articles of Association. However, the Board may refuse to recognize any instrument of transfer without stating any reasons unless the requirements of the laws, administrative regulations, and the regulatory rules of the place where the Company's shares are listed and the CSRC are satisfied.

Should the Company refuse to register any transfer of shares, it shall, within the period prescribed by the laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed and the CSRC, provide the transferor and the transferee with a written notice stating its refusal of registration of such transfer.

#### **Section 4 Financial Assistance for Acquisition of Company Shares**

**Article 39** The Company and its subsidiaries shall not at any time give financial assistance in any way to any person acquiring or proposing to acquire shares in the Company. The aforesaid persons acquiring the shares in the Company include those who have incurred, directly or indirectly, any liability for the purpose of acquiring shares in the Company.

The Company or its subsidiaries shall not at any time give financial assistance in any way to the persons who have incurred such liability for the purpose of reducing or discharging that liability.

This Article is not applicable to the circumstances described in Article 41 of this Chapter.

**Article 40** In this chapter, financial assistance includes, but not limited to, the following meanings:

- (I) gifts;
- (II) guarantee (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligor), or compensation (other than the compensation in respect of the Company's own default) or release or waiver of any rights;
- (III) provision of loan or any other agreement under which the obligations of the Company are to be fulfilled before the obligations of another party, or a change in the parties to, or the novation of, or the assignment of rights arising under, such loan or agreement; or
- (IV) any other form of financial assistance given by the Company when the Company is insolvent or has no net assets or when its net assets would thereby be reduced to a material extent.

In this chapter, "incurs any obligation" includes the assumption of obligations by the changing of the obligor's financial position by way of contract or the making of an arrangement (whether enforceable or not, and whether such obligation is to be borne solely by such person or jointly with any other persons), or through changing one's financial position by any other means.

**Article 41** The following activities shall not be deemed to be prohibited activities as prescribed in Article 39:

- (I) provision of financial assistance by the Company given in good faith and in the interest of the Company, and the main purpose in giving the financial assistance is not for the acquisition of Shares, or the giving of financial assistance is an incidental part for the purpose of certain material plan of the Company;
- (II) a legal distribution of the Company's assets by way of dividends;
- (III) an allotment of bonus shares by means of dividends;
- (IV) a reduction of registered capital, a repurchase of shares or a reorganisation of the shareholding structure in accordance with the Articles of Association;
- (V) and the lending of money by the Company within its scope of business, provided that the net assets of the Company are not thereby reduced or that, to the extent that the net assets are thereby reduced, the financial assistance is provided out of distributable profits;

(VI) provision of money by the Company for contributions to employee share schemes.

For the benefit of the Company, the Company may, by resolution at the general meeting or resolution of the Board in accordance with the Articles of Association or the authorization at the general meeting, and in compliance with Hong Kong Listing Rules, provide financial assistance to others for acquiring shares of the Company or its parent company, but the cumulative total amount of financial assistance shall not exceed 10% of the total issued share capital. Resolution of the Board shall be approved by more than two-thirds of all Directors.

### **Section 5 Share Certificates and Register of Shareholders**

**Article 42** The Company's share certificates shall be in registered form.

The following major items shall be specified on the share certificate of the Company in paper form:

- (I) the Company's name;
- (II) the date of registration of the Company or the date of issuance of the share certificate ;
- (III) the class of the share certificate, par value and number of shares represented by the share certificate;
- (IV) the serial number of the share certificate;
- (V) a share certificate of the Company shall also contain other items required to be specified by the stock exchange(s) on which the shares of the Company are listed.

**Article 43** The share certificates shall be signed by the legal representative. Where the stock exchange on which the shares of the Company are listed requires the share certificates to be signed by other senior management, the share certificates shall also be signed by such other senior management. The share certificates shall take effect after being affixed, or affixed by way of printing, under the seal of the Company. The share certificates shall only be affixed with the Company's seal under the authorization of the Board. The signatures of the legal representative, Chairman or other relevant senior management of the Company on the share certificates may also be in printed form.

Under the conditions of paperless issuance and transactions, other requirements stipulated by the laws of the place where the Company's shares are listed and rules of the securities regulatory authorities shall prevail.

**Article 44** The Company shall keep a register of shareholders which shall contain the following particulars:

- (I) the name and domicile of each shareholder;
- (II) the class and number of shares held by each shareholder;
- (III) for share certificates issued in paper form, the serial numbers of the shares held by each shareholder;
- (IV) the date on which each shareholder acquires shares;

The register of shareholders shall be the full evidence of the shareholders' shareholding in the Company, unless there is evidence to the contrary.

**Article 45** The Company shall properly maintain its register of shareholders of overseas-listed shares according to the requirements of the laws, administrative regulations, and the regulatory rules of the place where the Company's shares are listed.

**Article 46** Where the laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed stipulate on the period of closure of the register of shareholders prior to a general meeting or the base date on which the Company decides to distribute dividends, such provisions shall prevail.

**Article 47** When a general meeting is convened, for dividend distribution, liquidation and other actions that may require the determination of shareholders' identity prior to the performance by the Company, the convener of the meeting of the board of directors or the general meeting shall confirm a date as the record date. At the end of the record date, shareholders registered in the shareholders register shall be the shareholders entitled to such rights and interests.

**Article 48** 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 (the "Original Certificates") are lost, could apply to the Company for a replacement share certificate in respect of such shares (the "Relevant Shares").

**Article 49** Applications for re-issue of shares by holders of domestic shares shall be processed pursuant to Article 164 of the Company Law.

**Article 50** Application for re-issue of share certificates by a holder of overseas-listed shares, who has lost his share certificate, may be dealt with in accordance with the law of the place where the original register of holders of overseas-listed shares is maintained, the rules of the stock exchange or other relevant regulations.

**Article 51** The Company shall not be liable for any damages sustained by any person by reason of the cancellation of the original certificate or the issuance of the replacement certificate, unless the claimant proves that the Company had fraudulent act.

## CHAPTER 4 SHAREHOLDERS AND GENERAL MEETINGS

### Section 1 Shareholders

**Article 52** A shareholder of the Company is a person who legally holds the shares of the Company and has had his name entered in the register of shareholders.

Shareholders shall enjoy the rights and have the obligations according to the class of shares held by them. Shareholders holding shares of the same class shall enjoy equal rights and have the same obligations.

**Article 53** The ordinary shareholders of the Company shall be entitled to the following rights:

- (I) the right to dividends and other distributions in proportion to the number of shares held;
- (II) the right to lawfully request to hold, convene, preside over, attend or appoint a proxy to attend general meeting and to exercise the relevant speaking right and voting right, unless they are required by the Company Law, the Hong Kong Listing Rules and the Articles of Association to abstain from voting on individual matters; ;
- (III) the right to supervise the operations of the Company and to put forward proposals and raise inquiries;
- (IV) the right to transfer, donate or pledge shares held by them in accordance with the laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed and provisions of this Articles;

- (V) to inspect and copy the Articles of Association, register of shareholders, minutes of general meetings, resolutions of meetings of the Board of Directors, resolutions of meetings of the Supervisory Committee and financial accounting reports; Shareholders who are in compliance with the provisions may inspect the Company's accounting books and accounting evidences;
- (VI) in the event of termination or liquidation of the Company, the right to participate in the distribution of the remaining assets of the Company in accordance with the number of shares held;
- (VII) with respect to shareholders who voted against any resolution adopted at the general meeting on the merger or demerger of the Company, to demand the Company to buy back the shares held by them;
- (VIII) such other rights prescribed by laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed or Articles of Association.

**Article 54** Where a shareholder asks to review and copy the information mentioned in the preceding Article or makes a request for information, he or she shall submit to the Company written documents evidencing the classification and number of shares he or she holds in accordance with the provisions of laws and administrative regulations such as the Company Law, the Securities Law, and the regulatory rules of the place where the Company's shares are listed. The Company shall provide information as requested by the shareholder after authenticating his or her identity.

**Article 55** Where the content of a resolution of the general meeting or the Board meeting of the Company violates laws or administrative regulations, the shareholders shall be entitled to request the People's Court to hold it invalid.

If the convening procedure or voting method of a general meeting or Board meeting violates laws, administrative regulations or the Articles of Association, or if the content of a resolution violates the Articles of Association, the shareholders shall be entitled to request the People's Court to revoke the resolution within 60 days from the date it was made. However, this shall not apply to cases where the convening procedure or voting method of the general meeting or Board meeting have only minor defects and do not have a material impact on the resolution.

Where there is a dispute among the Board, shareholders, or other relevant parties regarding the validity of a general meeting resolution, they shall promptly initiate a lawsuit with the People's Court. Before the People's Court renders a judgment or ruling to revoke the resolution, the relevant parties shall implement the resolution of the general meeting. The Company, directors, and senior management shall earnestly perform their duties to ensure the normal operation of the Company.

Upon the People's Court rendering a judgment or ruling on relevant matters, the Company shall fulfil its information disclosure obligations in accordance with the laws, administrative regulations, the rules of the CSRC and the stock exchanges, fully explain the impact, and actively cooperate with the enforcement after the judgment or ruling takes effect. Where it involves correcting prior matters, the Company shall promptly process and fulfil the corresponding information disclosure obligations.

**Article 56** In the event of any loss caused to the Company as a result of violation of any laws, administrative regulations or the Articles of Association by the directors or senior management when performing their duties in the Company, the shareholders holding 1% or more shares of the Company separately or jointly for over 180 consecutive days may submit a written request to the Supervisory Committee to file an action with the People's Court. Where supervisors violate laws, administrative regulations or the Articles of Association in their duty performance and cause loss to the Company, the above shareholders may submit a written request to the Board of Directors to file an action with the People's Court.

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

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

If the directors, supervisors or senior management of a wholly-owned subsidiary of the Company are involved in any of the circumstances set forth in the preceding paragraph, or if any other person has infringed upon the legitimate rights and interests of a wholly-owned subsidiary of the Company and causes losses, shareholders of a limited liability company, or shareholders of a joint stock limited company who severally or jointly hold more than 1% of shares of the Company for over 180 consecutive days may, in accordance with the provisions of the preceding three paragraphs, request in writing to the board of supervisors or the Board of the wholly-owned subsidiary to initiate legal proceedings in the People's Court, or directly initiate legal proceedings in their own names in the People's Court.

**Article 57** In the event that a director or senior management violates laws, administrative regulations or the Articles of Association, thereby damaging the interests of the shareholder(s), the shareholder(s) may file an action with the People's Court.

**Article 58** Holders of the ordinary shares of the Company shall have the following obligations:

- (I) to abide by the laws, administrative regulations and the Articles of Association;
- (II) to pay subscription amount based on the shares subscribed and the method of subscription;
- (III) not to withdraw share capital unless required by the laws and regulations;
- (IV) not to abuse their shareholders' rights to harm the legitimate interests of the Company or other shareholders, and not to abuse the independent legal person status of the Company and the limited liability of shareholders to harm the legitimate interests of any creditor of the Company;
- (V) to assume other obligations required by the laws, administrative regulations and the Articles of Association.

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

**Article 59** Where a shareholder holding 5% or more voting shares of the Company pledges any shares in his/her possession, he/she shall make a written report to the Company on the day on which he/she pledges his/her shares.

**Article 60** The controlling shareholders and de facto controllers of the Company shall not use their connections to harm the interests of the Company. Any person who violates this provision and causes losses to the Company shall be liable for compensation.

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

**Article 61** The term “controlling shareholder” referred to in the Articles of Association shall mean a person who has satisfied any one of the following conditions:

- (I) he severally or jointly, acting in concert with others, is entitled to elect more than half of the Board;
- (II) he severally or jointly, acting in concert with others, is entitled to exercise or to control the exercise of more than 30% (inclusive) of the voting rights of the Company;
- (III) he severally or jointly, acting in concert with others, holds more than 30% (inclusive) of the outstanding issued shares of the Company;
- (IV) he severally or jointly, acting in concert with others, has de facto control over the Company in any other manner(s).

## Section 2 General Provisions of the General Meetings

**Article 62** The general meeting of the Company is composed of all shareholders. The general meeting is the Company's authoritative organization which shall exercise its functions and powers in accordance with the laws.

**Article 63** The general meeting shall have the following functions and powers:

- (I) to elect and replace directors and supervisors and decide on matters relating to their remuneration;
- (II) to consider and approve the reports of the Board;
- (III) to consider and approve the reports of the Supervisory Committee;
- (IV) to consider and approve the Company's profit distribution plans and loss recovery plans;
- (V) to decide on the increase or reduction of the Company's registered capital;
- (VI) to decide on matters such as merger, division, dissolution, liquidation and change in the form of the Company;
- (VII) to decide on the issue of debentures by the Company;
- (VIII) to decide on the appointment, dismissal of the accounting firms of the Company that undertake the Company's audit business;
- (IX) to amend the Articles of Association;
- (X) to consider the motions raised by shareholders who represent more than 3% (inclusive) of the total number of voting shares of the Company (excluding treasury shares);

- (XI) to decide on the repurchase of shares by the Company under the circumstances as provided in items (I), (II) of Article 30 of the Articles of Association;
- (XII) to consider equity incentive plans and employee stock ownership plans;
- (XIII) other matters which, according to the laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed and the Articles of Association, should be resolved by shareholders at general meetings.

The general meeting may authorize the Board to decide the issuance of corporate bonds.

Except as otherwise provided by the laws, administrative regulations and the regulatory rules of the place where the Company's shares are listed and the CSRC, the aforesaid powers and functions of the general meeting shall not be exercised by the Board of Directors or any other body or individual on its behalf by way of authorization, except that the Board of Directors or the Directors may be authorized to deal with or implement the matters in respect of which the relevant resolution is passed by voting at the general meeting of shareholders.

For the avoidance of doubt, (1) the general meeting may authorize the Board to decide to issue shares not exceeding 50% of the issued shares within three years in accordance with the Company Law, and the relevant resolution of the Board shall be adopted by two-thirds or more of all the Directors. However, a resolution of the general meeting shall be required in the case of capital contributions in the form of non-monetary property. If the Board decides to issue shares in accordance with the preceding paragraph, resulting in a change in the Company's registered capital or the number of issued shares, the modification of such matters recorded in the Articles of Association shall not be subject to voting at the general meeting; (2) the Board shall be authorized at these general meeting in accordance with these Articles of Association, who shall have the mandate to acquire the shares of the Company under the circumstances set forth in paragraphs 1(3), (5) and (6) of Article 30 of the Articles of Association by resolution of the Board of Directors at a meeting of the Board of Directors attended by more than two-thirds of the Directors; if the Board of Directors decides to issue, repurchase shares in accordance with the provisions of the foregoing paragraph, which results in the change in the registered capital of the Company and the number of issued shares, the amendment of the matters recorded in the Articles of Association shall not be subject to the vote of the general meeting. However, in case of provisions otherwise as prescribed under the securities regulatory rules of the place where the Company's shares are listed in respect of the matters referred to in (1) to (2) above, such provisions shall also apply.

**Article 64** General meetings are classified into annual general meetings and extraordinary general meetings. General meetings shall be convened by the Board. Annual general meetings are held once a year and within six months from the end of the preceding financial year.

Under any of the following circumstances, the Company shall convene an extraordinary general meeting within two months from the date of occurrence:

- (I) the number of directors is less than that is required by Company Law or two-thirds of the number of directors specified in the Articles of Association;
- (II) the accumulated losses of the Company amount to one-third of the total amount of its share capital;
- (III) requested by Shareholder(s) severally or jointly holding 10% or above of the Company's shares;
- (IV) it is deemed necessary by the Board;
- (V) requested by the Supervisory Committee;
- (VI) other circumstances as stipulated by laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed, or these Articles of Association.

**Article 65** The Company shall convene a general meeting at, including, its domicile, place of production and operation or other location as specified in the notice of the meeting. A general meeting shall be convened on-site at a venue. Where permitted by the regulatory rules of the place where the Company's shares are listed, it may also be convened in such other manner (including virtual means) as may be recognized or required by the regulatory rules of the place where the Company's shares are listed, such as holding meetings via electronic communication or other virtual means.

Subject to the provisions of laws, administrative regulations and the regulatory rules of the place where the Company's shares are listed, the Company may, where appropriate, provide online participation, e-voting and electronic communication to facilitate shareholders' participation, speaking and voting in the general meetings. Shareholders participating in the general meeting through the above means shall be deemed to be present.

### Section 3 Convening of the General Meeting

**Article 66** The general meeting shall be convened by the Board, and if the Board is unable to perform or fails to perform its duty to convene the general meeting, the Supervisory Committee shall promptly convene and preside over the meeting; If the Supervisory Board does not convene and preside over the meeting, shareholders who individually or collectively hold more than ten percent of the Company's shares for more than ninety consecutive days may convene and preside over the meeting on their own.

**Article 67** With the simple majority approval of all independent Directors, an extraordinary general meeting may be convened upon proposal by independent non-executive directors to the Board of Directors. For the proposal of independent non-executive directors to convene an extraordinary general meeting, the Board of Directors shall, pursuant to the provisions of laws, administrative regulations and these Articles of Association, give a written reply on whether to convene the extraordinary general meeting or not within ten days upon receipt of the proposal. When the Board of Directors agrees to convene an extraordinary general meeting, it shall, within five days after the resolution is made, issue a notice calling for the meeting. If the Board of Directors does not agree to convene such meeting, the reasons shall be stated and announced.

**Article 68** The Supervisory Committee is entitled to propose to the Board of Directors to convene the extraordinary general meeting, provided that the proposal shall be made in written form. The Board of Directors shall, pursuant to the provisions of laws, administrative regulations and these Articles of Association, give a written reply on whether to convene the extraordinary general meeting or not within ten days upon receipt of the proposal.

When the Board of Directors agrees to convene an extraordinary general meeting, the Board of Directors shall, within 5 days after the Board resolution is made, issue a notice calling for the meeting. Changes in the original proposal in the notice shall be subject to the approval of the Supervisory Committee.

When the Board of Directors does not agree to convene an extraordinary general meeting, or does not provide written reply within 10 days upon receipt of the proposal, the Board of Directors shall be considered to be unable or fail to perform the duty of convening an extraordinary general meeting. The Supervisory Committee may convene and preside over the meeting on its own.

**Article 69** If shareholders who individually or collectively hold more than ten percent of the Company's shares propose to the Board of Directors to convene the extraordinary general meeting, the proposal shall be made in written form. The Board of Directors shall, pursuant to the provisions of laws, administrative regulations and these Articles of Association, give a written reply on whether to convene the extraordinary general meeting or not within ten days upon receipt of the proposal.

When the Board of Directors agrees to convene an extraordinary general meeting, the Board of Directors shall, within 5 days after the Board resolution is made, issue a notice calling for the meeting. Changes in the original proposal in the notice shall be subject to the approval of the shareholders.

When the Board of Directors does not agree to convene an extraordinary general meeting or does not provide a written reply within 10 days upon receipt of the proposal, the shareholders who individually or collectively hold more than ten percent of the Company's shares are entitled to propose to the Supervisory Committee to convene the extraordinary general meeting, provided that the proposal shall be made in written form.

When the Supervisory Committee agrees to convene an extraordinary general meeting, the Supervisory Committee shall, within 5 days after receipt of the request, issue a notice calling for the meeting. Changes in the original proposal in the notice shall be subject to the approval of the shareholders.

In case the Supervisory Committee fails to give the notice of such a meeting within the specified time limit, the Supervisory Committee shall be deemed to have failed to convene or preside over the meeting, in which case, the shareholders who either individually or jointly hold 10% or more of the Company's shares for more than ninety consecutive days may convene and preside over the meeting by themselves.

**Article 70** When the Supervisory Committee or the shareholders decide to convene a general meeting by themselves, they must notify the Board of Directors in writing and at the same time file the notice with the relevant securities regulatory authority of the place where the Company is domiciled and the stock exchange where the Company's shares are listed in accordance with applicable regulations (if needed).

When the Supervisory Committee or convening shareholders decide to send a notice of the general meeting and the announcement of the resolution of the general meeting, they shall also submit the relevant certification materials to the securities regulatory authorities where the Company is domiciled and the stock exchange where the Company's shares are listed in accordance with applicable regulations.

**Article 71** The Board of Directors and the secretary to the Board shall cooperate with the general meeting convened by the Supervisory Committee or the shareholders on their own. The Board of Directors shall provide the register of members as at the record date.

When the Supervisory Committee or shareholders convene a general meeting on their own, the expenses necessary for the meeting shall be borne by the Company.

#### **Section 4 Proposals and Notices of General Meetings**

**Article 72** The contents of a proposal shall be within the scope of the duties and powers of the general meeting, have definite themes and specific matters for resolutions, as well as be in compliance with the relevant requirements of the laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed and these Articles of Association.

**Article 73** When the Company convenes a general meeting, the Board of Directors, the Supervisory Committee and any shareholders individually or jointly holding 1% or more of the Company's shares shall have the right to put forward proposals to the Company.

Shareholders severally or jointly holding 1% or more of the shares of the Company, may raise the interim proposal and submit them in writing to the convenor ten days prior to the date of the general meeting; the convenor shall, within two days after receipt of such proposals, issue a supplementary notice of the general meeting and disclose the contents of interim proposals and submit the additional proposals to the general meeting for consideration. However, the exceptions are when the additional proposals violate the provisions of laws, administrative regulations or the Articles of Association, or do not fall within the scope of the functions and powers of the general meeting.

With the exception of the conditions mentioned above, the convener shall neither amend the proposals specified on the notice of the general meeting, nor add any new proposals after the issuance of the notice of the general meeting.

Proposals which are not specified in the notice of the general meeting or which do not comply with Article 72 of these Articles of Association shall not be voted on and resolved at the general meeting.

**Article 74** The convenor shall notify the shareholders in writing 21 days before the meeting of the annual general meeting, and in case of the extraordinary general meeting, shall notify the shareholders by way of announcement 15 days prior to the meeting.

**Article 75** A notice of a general meeting shall include the following:

- (I) the time, place and duration of the meeting;
- (II) matters and proposals for consideration at the meeting;
- (III) containing a conspicuous statement that: all shareholders of ordinary shares are entitled to attend the general meeting and may appoint in writing proxies to attend and vote instead of him and such proxy is not necessarily be a shareholder of the Company;
- (IV) the record date for determining the shareholders who are entitled to attend the general meeting;
- (V) the time and procedures for voting online or by other means.

The notice of general meeting and its supplementary notice and shall fully and completely disclose all details of all proposals. If the matters to be discussed require the opinions of the independent non-executive directors, the opinions of the independent non-executive directors and the reasons thereof shall be disclosed at the same time when the notice of general meeting or its supplementary notice is issued.

The interval between the record date and the date of meeting shall comply with the regulatory rules of the place where the Company's shares are listed. Once the record date is set, it cannot be changed arbitrarily. If it needs to be changed, the procedures stipulated in the regulatory rules of the place where the Company's shares are listed must be complied with.

**Article 76** The notice of a general meeting shall be sent to the shareholders (whether or not such shareholders are entitled to vote at the meeting) by any methods as permitted by the stock exchange of the place where the Company's shares are listed (including but not limited to post, email, fax, announcement, release on the websites of the Company or the stock exchange of the locality where the Company's shares are listed). In case of delivery by post, the addresses of the recipients shall be those registered in the share register.

**Article 77** After the notice on convening the general meeting is sent out, the general meeting shall not be postponed or cancelled and the proposal listed in the notice of the general meeting shall not be cancelled without justifiable causes. In the case of any circumstance for postponement or cancellation of the meeting, the convener shall make an announcement and explain the reasons at least two business days before the date for the planned general meeting.

Without prejudice to the generality of the foregoing, the Directors shall have the power to provide in every notice calling a general meeting the circumstances in which a postponement of the relevant general meeting may occur automatically without further notice, including without limitation where a number 8 or higher typhoon signal, black rainstorm warning or other similar event is in force at any time on the day of the meeting.

If there are special provisions in the regulatory rules of the place where the Company's shares are listed regarding the procedures for adjournment or cancellation of the general meeting, such provisions shall apply to the extent that they do not contravene the Company Law, the

Securities Law, and other laws, administrative regulations, departmental rules and normative documents.

## Section 5 Convening of the General Meeting

**Article 78** The Board of Directors and other conveners of the Company shall take necessary precautions to ensure the normal order of the general meeting. Precautions shall be taken to prevent behaviors that interfere with the general meeting, stir up trouble and infringe legal rights and interests of shareholders, which shall be timely reported to relevant departments for investigation.

**Article 79** Any shareholder entitled to attend and vote at the shareholders' meeting shall have the right to appoint 1 or several persons (who may not be shareholders) to act as his proxy to attend and vote at the meeting on his behalf. The proxy/proxies so appointed by the shareholder shall exercise the following rights:

- (1) have the same right as the shareholder to speak at the meeting;
- (2) the right to demand or join in demanding a poll;
- (3) the right to vote on a poll.

**Article 80** The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a legal entity, either under seal or under the hand of a director or the duly authorised attorney or officer.

**Article 81** The instrument appointing a proxy shall be deposited at the residence of the Company or at some other place specified for that purpose in the notice of meeting no later than twenty-four hours prior to the meeting at which the proxy is authorized to vote or twenty-four hours before the time specified for the voting.

Where such an instrument is signed by a person under power of attorney on behalf of the appointer, that power of attorney or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents and the instrument appointing the proxy shall be deposited at the Company's residence or at some other place specified for that purpose in the notice of meeting.

If the appointer is a legal person, its legal representative or a person appointed by its Board of Directors or other decision-making body shall be entitled to attend a shareholders' general meeting of the Company as its proxy, and attendance or actions by the appointee at such meeting shall for the purpose of the Articles be deemed the attendance or (as the case may be) actions of the appointer.

Where such shareholder is a recognized clearing house (or its nominees) within the meaning of the laws in Hong Kong, the shareholder may authorize a person or persons as he thinks fit to act as his representative (or representatives) at any general meeting, provided that if more than one person is so authorized, the authorization must specify the number and class of shares in respect of which each such person is so authorized. The person so authorized is entitled to exercise the rights which can be exercised by the recognized clearing house (or its nominees) on behalf of the recognized clearing house (or its nominees) as if he was an individual shareholder of the Company.

**Article 82** A vote given by a proxy in accordance with the terms of an instrument of proxy shall remain valid notwithstanding the death or loss of capacity of the appointer or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that no notice in writing of such aforesaid issues shall have been received by the Company before the commencement of the meeting.

**Article 83** An individual shareholder attending the meeting in person shall present his personal identity card or other valid document or proof for identification; If a proxy is appointed to attend the meeting, he shall present his own proof of identity and the power of attorney authorized by the shareholders.

A legal person shareholder shall attend the meeting by a legal representative or a proxy entrusted by the legal representative. If a legal representative attends the meeting, he shall present his personal identity card and valid document proving his qualification to be a legal representative; where a proxy is appointed to attend the meeting, the proxy shall present his/her identity card and provide the Company's share registrar with a written authorization letter issued by the legal representative of the entity of the legal person shareholder in accordance with the law (except for shareholders who are recognized clearing houses as defined in the regulatory rules of the place where the Company's shares are listed or their proxies) before the specified time limit.

**Article 84** Where a director, supervisor or senior management is required to attend a general meeting, such director, supervisor or senior management shall attend the meeting and answer the queries from shareholders.

Subject to compliance with the securities regulatory rules of the place where the Company's shares are listed, the aforementioned persons may attend the meeting or be present at the meeting through internet, video, telephone or other equivalent means.

**Article 85** The general meeting shall be presided by the chairman of the Board. Where the chairman of the Board is unable to or fails to perform his duty, the meeting shall be presided by the vice chairman of the Board (where the Company has two or more vice chairmen, the meeting shall be presided by the vice chairman elected by not less than one-half of all directors). Where the vice chairman of the Board is unable to or fails to perform his duty, a director elected by more than one-half of all directors shall preside over the meeting.

If a general meeting is convened by the Supervisory Committee itself, board of the chairman of the Supervisory Committee shall preside over the meeting. If the chairman of the Supervisory Committee is unable to or will not discharge his duties, not less than one half of the supervisors shall nominate a supervisor to preside over the meeting.

If a general meeting is convened by the shareholders themselves, the convener will nominate a representative to conduct the meeting.

In a general meeting, if the chairman of the meeting contravenes the meeting procedures, making the meeting impossible to proceed, with consent from more than one-half of the attending shareholders with voting rights, the shareholders may nominate one person to serve as the chairman and continue with the meeting.

**Article 86** There shall be minutes of the general meeting. The convener shall ensure that the minutes are true, accurate and complete. The Directors, convener or his/her representative present at or attend the meeting and the chairman of the meeting shall sign the minutes. Minutes shall, together with the register relating to the shareholders present at the meeting in person and the proxy form if represent by proxy and valid information on results of voting online or by other means in respect of the meeting shall be kept for a period of not less than 10 years.

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

**Article 87** Resolutions of general meeting are divided into ordinary resolutions and special resolutions.

To adopt an ordinary resolution at a general meeting, votes representing more than one half of the voting rights represented by the shareholders (including the proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed.

To adopt a special resolution at a general meeting, votes representing more than two-thirds of the voting rights represented by the shareholders (including the proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed.

**Article 88** The following matters shall be resolved by an ordinary resolution at a general meeting:

- (I) working reports of the Board and the Supervisory Committee;
- (II) plans formulated by the Board for distribution of profits and for making up losses;
- (III) removal of any members of the Board and members of the Supervisory Committee, and determination of their remuneration and method of payment;
- (IV) annual balance sheet, profit and loss account and other financial statements of the Company;
- (V) annual report of the Company;
- (VI) such other matters other than those specified by laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed or these Articles of Association to be resolved by special resolutions.

**Article 89** The following matters shall be resolved by a special resolution at a general meeting:

- (I) the increase or decrease in share capital of the Company;
- (II) the division, merger, dissolution, liquidation and change of the Company;
- (III) amendments to the Articles of Association;
- (IV) the amount of the Company to purchase or sell major assets or provides a guarantee to another person, within a year, which exceeds thirty per cent of the Company's latest audited total assets;
- (V) such other matters prescribed by the laws, administrative regulations and the regulatory rules of the place where the Company's shares are listed and these Articles of Association, and to be considered by the general meeting by way of an ordinary resolution to be of a nature which may have a material impact on the Company and shall be adopted by a special resolution.

**Article 90** When shareholders (including proxies) vote at the general meeting, they shall exercise their voting rights according to the number of voting shares they represent. Each share shall carry one voting right.

The shares of the Company held by the Company shall not be entitled to vote and shall not be calculated in the total number of shares with voting rights held by the present shareholder.

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

**Article 91** Where relevant connected transactions are considered at a general meeting, the connected shareholders shall not participate in voting and the number of voting shares represented by them shall not be counted in the total number of valid votes; the announcement of any resolution of the general meeting shall adequately disclose the voting by unconnected persons.

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

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

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

If the applicable laws, administrative regulations or regulatory rules of the place where the Company's shares are listed provide otherwise, the provisions shall apply.

**Article 92** Save that the Company is under exceptional circumstances such as crisis, the Company may not enter into any contract with anyone other than a director, general manager and other senior management members to assign all or a significant part of the management of the Company's business to the said person, unless with being approved by way of special resolution at a general meeting.

**Article 93** List of director or supervisor candidates shall be submitted by way of proposal at general meetings.

If the proposal with respect to directors or supervisors election is passed at the general meeting, the term of office of a new director or supervisor shall commence on the date on which resolutions of the general meeting are passed.

**Article 94** The general meeting shall vote on all proposals presented one by one. If different proposals are made on the same matter, votes shall be cast in accordance with the sequence of presenting of the proposals. Unless the general meeting is suspended or fails to resolve due to exceptional reasons such as force majeure, the general meeting shall not lay aside or refuse the voting of proposals.

**Article 95** No amendment shall be made to a proposal when it is considered at a general meeting, otherwise, the relevant amendment shall be deemed as a new proposal and shall not be voted on at the general meeting.

**Article 96** The same voting right may only elect one of the voting methods, on-site, internet or other voting methods.

**Article 97** Voting at general meeting will record the name of the voter, that is, by open ballot.

**Article 98** Where the chairman of a general meeting has any doubt on the result of the resolution proposed for voting, he may count the number of votes cast. If no counting is made by the chairman of the meeting, any shareholder or his proxy attending the meeting who queries the results announced by the chairman shall have the right to demand a counting of the votes immediately after the announcement. The chairman shall forthwith conduct a counting of the votes as demanded. If ballots are counted at a general meeting, the counting result shall be recorded in the minutes of the meeting.

**Article 99** The Company shall, in accordance with the regulatory rules of the place of listing, appoint auditors, share registrars or external accountants who are qualified to act as auditors to act as a scrutineer for the counting of votes at general meetings and disclose the identity of the scrutineer in the announcement of the poll results.

**Article 100** A resolution of the general meeting or board meeting of the Company shall be deemed invalid under any of the following circumstances: (I) the resolution is adopted without convening a general meeting or board meeting; (II) the resolution is not voted on at the general meeting or board meeting; (III) the number of attendees of the meeting or their voting rights do not meet the quorum or the number of voting rights as stipulated in the Company Law or the Articles of Association; (IV) the number of attendees voting in favor of the resolution or their voting rights do not meet the quorum or the number of voting rights as stipulated in the Company Law or the Articles of Association.

## CHAPTER 5 BOARD OF DIRECTORS

### Section 1 Directors

**Article 101** The directors shall be elected or replaced at the shareholders' general meeting and may be removed at the shareholders' general meeting before the expiration of their terms. The term of directors is three years. Upon expiry of the term, a director shall be eligible for re-election.

Directors shall be elected at the shareholders' general meeting from the board of directors or the candidates nominated by shareholders representing three percent (inclusive) or more of the Company's issued shares. The chairman, vice-chairman shall be elected and removed by over half of all the directors. The term of the chairman and vice-chairman shall be for three years, and shall be eligible for re-election. The directors are not required to hold any shares in the Company.

Subject to compliance with the relevant laws and administrative regulations, the general meeting may remove any director within his term by way of an ordinary resolution (any term in any contract in respect of compensation shall not be affected by this Article).

**Article 102** Subject to the regulatory rules of the place where the Company's shares are listed, a director who attends a meeting of the board of directors by internet, video, telephone or other means with equivalent effect shall also be deemed to be present in person.

**Article 103** A director may resign before the expiration of his or her term of office. A resigning director shall submit a written resignation report to the board of directors and the resignation shall take effect on the date of receipt of the resignation report by the Company.

If, as a result of the resignation of a director, the number of directors on the board of directors of the Company falls below the minimum number prescribed by the law, the original director shall continue to perform the duties as a director in accordance with the laws, administrative regulations, departmental rules and regulations, the regulatory rules of the place where the Company's shares are listed and these Articles of Association until the newly elected director assumes office.

Subject to relevant the laws and administrative regulations, the general meeting may remove any director by an ordinary resolution (without prejudice to any claim for damages that such director may have under any contract) before the end of his or her term of office, with effect from the date of such resolution made. If a director is dismissed before the expiration of his or her term of office without justifiable reasons, the director may demand compensation from the Company.

**Article 104** No Director shall act on behalf of the Company or the Board in his personal capacity without the regulations of these Articles of Association or the lawful authority granted by the Board.

**Article 105** Where a director causes damage to others in the performance of the Company's duties, the Company shall be liable for compensation; if the director acted with intent or gross negligence, he/she shall also be liable for compensation. A director shall be liable for compensation as regards the damages caused to the Company if he or she violates the provisions of laws, administrative regulations, departmental rules and regulations, the regulatory rules of the place where the Company's shares are listed or these Articles of Association in the performance of his or her duties for the Company. The Company may purchase liability insurance against liability incurred by a director in connection with the performance of his or her duties in the Company during his or her term of office.

## Section 2 Board of Directors

**Article 106** The Company shall have a board of directors.

The board of directors comprises eleven directors including one chairman and one vice chairman. The number of independent non-executive Directors shall not be less than three at any time and shall account for at least one-third of the total number of the board of directors. The chairman and vice chairman of the board of directors shall be elected by a majority of all directors. The chairman and vice chairman of the board of directors shall be elected by a majority of all directors.

**Article 107** The Board shall exercise the following powers:

- (I) To be responsible for the convening of the general meeting and to report on its work to the general meeting;
- (II) To implement the resolutions of the general meetings;
- (III) To decide on the Company's business plans and investment plans;
- (IV) To formulate the Company's profit distribution plan and plan for making up losses;
- (V) To formulate proposals for increases or decreases in the registered capital of the Company and the issuance and listing of debentures or other securities of the Company;
- (VI) To draw up plans for the major acquisition or acquisition of the Company's shares or the merger, division or dissolution of the Company or change of its form;
- (VII) To decide on the establishment of the Company's internal management structure;
- (VIII) To appoint or dismiss the Company's general manager, secretary of the board of directors and other senior management of the Company, and determine matters such as their remuneration, rewards and punishments; and pursuant to the general manager's nominations to appoint or dismiss the deputy general manager and other senior management of the Company (including financial officers) and decide their remunerations;
- (IX) To establish the Company's basic management system;
- (X) To formulate proposals for amendments to the Articles of Association;
- (XI) to prepare plan for repurchase of the shares of the Company under the circumstances as provided in items (I), (II) of Article 30 of the Articles of Association;

- (XII) to decide on the repurchase of shares by the Company under the circumstances as provided in items (III), (V) or (VI) of Article 30 of the Articles of Association;
- (XIII) To determine the matters within the scope authorized by the general meeting, such as the Company's external investment, purchase or sales of assets, asset pledge, external guarantee, entrusting wealth management, connected transactions and external donation;
- (XIV) To manage the disclosure of information of the Company;
- (XV) To propose at the general meeting the appointment or replacement of the accounting firm that performs audit for the Company;
- (XVI) To receive the work report of the general manager of the Company and examine on the work of the general manager;
- (XVIII) Other powers conferred by the Articles of Association or the shareholders' general meeting.

The board of directors of the Company shall establish an audit committee, a nomination committee and a remuneration committee (together, the "Special Committees") and other special committees as required. The Special Committees shall be accountable to the board of directors and perform their duties in accordance with the Articles of Association and the authorization of the board of directors. The proposals of the committees shall be submitted to the board of directors for consideration and approval. All members of the Special Committees shall be the directors. The Special Committees shall not make any resolution in the name of the Board but may, subject to the mandatory requirements of the relevant PRC laws, regulations, regulatory documents and the listing rules of the stock exchange where the shares of the Company are listed, exercise its decision-making power in respect of authorized matters in accordance with the special mandate of the Board. The board of directors shall be responsible for formulating the working procedures of the Special Committees and regulating the operation of the Special Committees. Matters beyond the scope authorized by the Board shall be submitted to the general meeting for consideration.

For the above matters, except for items (V), (VI), (X) and (XII) which shall be approved by voting of more than two-thirds of the directors, others may be approved by voting by simple majority of the directors.

Where the number of vacancy of directors is not more than the number fixed by the Company Law or not less than two-third of the number of directors prescribed by the Articles of Association, the Board shall have power to appoint any person to be a director to fill a casual vacancy of the Board. Any director so appointed shall hold office until the next following annual general meeting and shall then be eligible for re-election.

**Article 108** The Chairman shall exercise the following powers:

- (I) To preside over the general meeting, and to convene and preside over the meetings of the Board of Directors;
- (II) To urge and check the implementation of board resolutions;
- (III) Other powers vested by the Board.

The vice chairman of the Board of the Company shall assist the work of the Chairman of the Board. Whereas the Chairman is unable or fails to perform his duties, the vice chairman shall perform the duties (when there are two or more vice chairmen in the Company, the vice chairman elected by simple majority of Directors shall perform the duties); if the vice chairman is unable or fail to perform his duties, one Director elected by simple majority of Directors shall perform the duties.

**Article 109** Meetings of the Board are divided into regular meetings and extraordinary meetings.

The Board should meet regularly, and regular meetings shall be convened at least twice a year at the call of the Chairman. Fourteen days prior written notice of regular meetings shall be given to all Directors and Supervisors. A regular meeting does not include the practice of obtaining board consent through the circulation of written resolutions.

Shareholders representing more than 1/10 of voting rights, more than one-third of all directors or the Supervisory Committee may propose to convene an extraordinary meeting of the Board. The chairman shall convene and chair a board meeting within 10 days upon the receipt of such a request.

The deadline for giving notice of a meeting may be waived if all Directors unanimously agree in writing.

Where an extraordinary board meeting needs to be convened in an emergency, reasonable notice thereof shall be given, and the notice of the meeting may be sent by telephone or other verbal means, but the convener shall make explanations at the meeting.

**Article 110** Notice of meeting of the Board of Directors shall contain:

- (I) date and place of the meeting;
- (II) reasons for and discussion topics of the meeting;
- (III) date of issuance of the notice.

The written notices of regular and extraordinary meetings of the Board shall be delivered by hand, facsimile, courier, registered airmail or other means of electronic communication.

**Article 111** Should a Director attend the meeting, and has no dispute relating to non-receipt of notice of the meeting prior to attending the meeting or when the meeting commences, such notice shall be deemed to have been sent to him/her, and such Director has no objection to the notice of the meeting and the time thereof.

**Article 112** Any regular board meeting or extraordinary meeting may be held through other electronic means of communication or other virtual means so long as all directors participating in the meeting can clearly hear and communicate with each other. All such directors shall be deemed to be present in person at the meeting.

On matters requiring approval from the extraordinary Board Meeting, if the Board has distributed the agenda to all directors and all directors have consented to sign, then the written resolution can be reached and no Board Meeting is necessary. Such written consent shall be deemed to have the same legal effect as the resolution passed by the Board meeting convened in accordance with the procedures as stipulated in these Articles.

**Article 113** The Board meeting may not be held unless more than one half of the Directors (including proxies) are present.

Voting on Board meetings may be conducted by open ballot.

As for the voting on a Board resolution, each director shall have one vote. Unless otherwise required by these Articles of Association, resolutions of the Board shall be passed by more than half of all Directors.

In the case of an equality of votes, the chairman shall be entitled to cast one more vote.

**Article 114** When a Director is related to matters or companies or individuals that are the subject of a resolution to be decided at a Board meeting, the director shall promptly report in writing to the Board, and the related Director shall not vote on that resolution, and shall not vote on behalf of other Directors. Such a Board meeting can be held if more than one-half of the non-related Directors attend. Resolutions made by the Board meeting shall be passed by more than one-half of the non-connected Directors. Resolutions involving items (V), (VI), (X) and (XII) of Article 107 of these Articles of Association must be approved by voting by more than two-thirds of the non-connected Directors. The Independent Non-executive Directors shall offer their independent opinions on material connected transactions. If less than three non-connected Directors attend the Board meeting, the matter shall be submitted to the general meeting for consideration.

**Article 115** Directors shall attend Board meetings in person. If a director is unable to attend the meeting in person for any reason, he may appoint in writing another director to attend the meeting on his behalf. The instrument of appointment shall specify the name of the proxy, matters to be dealt with by the proxy, scope of the authorization and validity period, and shall be signed or sealed by the appointer. A director attending the meeting on his behalf shall exercise the director's rights within the scope authorized by the power of attorney. Where a Director is unable to attend a Board meeting and has not appointed a proxy to attend the meeting on his behalf, he shall be deemed to have waived his right to vote at the meeting.

**Article 116** The Board of Directors shall keep minutes of its decisions on the matters under their consideration. Directors attending the meeting shall sign their names on the minutes of that meeting. Directors shall be responsible for the resolutions of the Board of Directors. Where a resolution of the Board of Directors is in violation of the laws and administrative regulations or these Articles of Association, thereby causing serious losses to the Company, the Directors who participated in such a resolution shall be liable to compensate to the Company. However, if a Director can prove that he had expressed his opposition to such resolution when it was put to the vote, and such opposition is recorded in the minutes of the meeting, that Director may be relieved of such liability.

## CHAPTER 6 SECRETARY TO THE BOARD OF DIRECTORS OF THE COMPANY

**Article 117** The Company shall have a Secretary to the Board, who is a senior management member of the Company.

**Article 118** Secretary to the Board of the Company shall be a natural person with the requisite professional knowledge and experience, and shall be appointed by the Board. His/her primary responsibilities are:

- (I) to ensure that the Company has complete organizational documents and records;
- (II) to ensure that the Company prepares and delivers the reports and documents required by competent authorities in accordance with the laws;
- (III) to ensure that the Company's registers of shareholders are properly maintained, and that persons entitled to access to the relevant records and documents of the Company are furnished with such records and documents without delay.

**Article 119** Directors or other senior management members of the Company may also act as the Secretary to the Board of the Company. The accountant(s) of the certified public accountants' firm appointed by the Company shall not act as the Secretary to the Board of the Company.

Provided that where the office of the Secretary to the Board of the Company is held concurrently by a Director, and an act is required to be made by a Director and the Secretary to the Board of the Company separately, the person who concurrently holds the offices of Director and Secretary to the Board of the Company shall not perform the act in dual capacity.

## CHAPTER 7 OTHER SENIOR MANAGEMENT

**Article 120** The Company shall have one general manager, who shall be appointed or dismissed by the decision of the Board.

**Article 121** The general manager serves for a term of three years, subject to re-appointment upon the expiry of the term.

The general manager of the Company shall be responsible to the board of directors and shall have the following functions:

- (I) to be in charge of the management of production and operation and to organize the implementation of the resolutions of the Board, and to report his/her work to the Board;
- (II) to organize the implementation of the annual business plans and investment plans of the Company;
- (III) to draft proposals for the establishment of internal management bodies of the Company;
- (IV) to draft the basis management system of the Company;
- (V) to formulate the basic rules and regulations of the Company;
- (VI) to propose the appointment or dismissal of the deputy general manager and other senior management, including the person in charge of finance, of the Company, to the Board;
- (VII) to appoint or dismiss the management personnel other than those required to be appointed or dismissed by the Board;
- (VIII) other functions granted by the Articles of Association and the Board.

**Article 122** The general manager of the Company can attend the board meetings of the Company, but a general manager who is not a director of the Company has no voting rights in the board meetings.

**Article 123** If the senior management causes damages to others in performing duties for the Company, the Company shall be liable for compensation; and if such damages are out of the intent or gross negligence of the senior management, he/she shall also be liable for compensation. If senior management breaches the laws, administrative regulations, departmental regulations, or regulatory rules of the place where the Company's shares are listed or this Articles of Association when carrying out his duties and causes loss to the Company, he shall be held responsible for damages.

## CHAPTER 8 SUPERVISORY COMMITTEE

### Section 1 Supervisors

**Article 124** Directors, general manager, chief financial officer and other senior management of the Company shall not act concurrently as supervisors.

**Article 125** Each term of office of a supervisor is three years and may be reappointed at the end of the term.

A supervisor shall continue to perform his duties in accordance with the laws, administrative regulations and the Articles of Association until a duly re-elected supervisor takes office if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of supervisors during his/her term of office results in the number of supervisors being less than the quorum.

**Article 126** Supervisors may attend the Board meetings and make enquiries or suggestions regarding the resolutions of the Board meetings.

**Article 127** Supervisors shall not use their connected relations to damage the interests of the Company, and shall be liable for compensation if any loss is caused to the Company.

**Article 128** If a supervisor violates laws, administrative regulations, departmental regulations, regulatory rules of the place where the Company's shares are listed or the regulations of these Articles of Association in the course of performing his/her duties and causes losses to the Company, he/she shall be liable for compensation.

## Section 2 Supervisory Committee

**Article 129** The Company shall establish a Supervisory Committee, which is responsible for supervising the board of directors, directors, managers and other senior management of the Company, so as to prevent any abuse of their functions and powers and violation of the legal rights and interests of the shareholders, the Company and its employees.

**Article 130** The Supervisory Committee shall comprise three members, one of whom shall act as chairman of the Supervisory Committee. The term of a Supervisor shall be three years and eligible for re-election and re-appointment. The election or removal of the chairman of the Supervisory Committee shall be decided by more than one-half of the members of the Supervisory Committee.

**Article 131** The Supervisory Committee shall comprise two shareholders' representatives and one employee representative of the Company. Shareholders' representatives shall be elected and removed by shareholders at a general meeting. Employee representatives shall be elected democratically and removed by the Company's employees.

**Article 132** Meetings of the Supervisory Committee shall be held at least once every six months and extraordinary meetings of the Supervisory Committee can be convened by the Supervisors.

The deadline for giving notice of a meeting may be waived if all Supervisors unanimously agree in writing.

Where an extraordinary meeting of the Supervisory Committee needs to be convened in an emergency, reasonable notice thereof shall be given, and the notice of the meeting may be sent by telephone or other verbal means, but the convener shall make explanations at the meeting.

Should a Supervisor attend the meeting, and has no dispute relating to non-receipt of notice of the meeting prior to attending the meeting or when the meeting commences, such notice shall be deemed to have been sent to him/her, and such Supervisor has no objection to the notice of the meeting and the time thereof.

**Article 133** Notice of meeting of the Supervisory Committee shall contain:

- (I) date and place of the meeting;
- (II) reasons for and agenda of the meeting;
- (III) date of issuance of the notice.

The written notices of regular and extraordinary meetings of the Supervisory Committee shall be delivered by hand, facsimile, courier, registered airmail or other means of electronic communication.

**Article 134** The Supervisory Committee shall be accountable to the shareholders at general meeting and shall exercise the following functions and powers according to laws:

- (I) to examine the Company's financial affairs;

- (II) to supervise the directors' and senior management's acts in performing their duties, to propose removal of any director or senior management officer in violation of any laws, administrative regulations, the Articles of Association or the resolutions of the general meeting;
- (III) if an act of the Company's Directors, general manager and other senior managements is jeopardizing the Company's interest, then require them to rectify such act;
- (IV) to conduct investigations whenever unusual conditions in the operation of the Company arise and, if necessary, to engage professional institutions such as accounting firms and law firms to assist in their work with expenses to be borne by the Company;
- (V) to propose to convene an extraordinary general meeting of shareholders and, in the event that the Board fails to perform its duty of convening and presiding over a general meeting as required by the Company Law, to convene and preside over such meeting;
- (VI) to submit proposals to the general meeting;
- (VII) to initiate legal proceedings against any director and senior management in accordance with Article 189 of the Company Law;
- (VIII) to exercise other powers authorised at general meetings.

**Article 135** Any regular or extraordinary meetings of the Supervisory Committee may be held through other electronic means of communication or other virtual means, so long as the participating supervisors can hear and communicate with one another, all participating supervisors are deemed as if they had participated in the meeting in person.

Meetings of the Supervisory Committee shall be held only if more than one-half of the supervisors are present. Voting on meetings of the Supervisory Committee may be conducted by open ballot and each director shall have one vote. The resolution at a meeting of Supervisory Committee shall be passed by more than one-half of the supervisors by poll.

**Article 136** The Supervisory Committee shall keep minutes of resolutions passed at the meetings. The minutes shall be signed by the supervisors present at the meeting.

Any supervisor shall be entitled to have an explanatory note made in the minutes regarding his/her speech at the meetings.

## **CHAPTER 9 QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, SUPERVISORS, GENERAL MANAGERS AND OTHER SENIOR MANAGEMENT OF THE COMPANY**

**Article 137** The directors, supervisors and senior management shall comply with the laws, administrative regulations and these Articles and shall perform their obligations of loyalty to the Company. They shall take measures to avoid conflicts between their own interests and the Company's interests, and shall not use their powers to gain undue benefits; and shall fulfill the obligations of diligence to the Company, and shall perform their duties with the reasonable care normally expected of a manager in the best interests of the Company.

**Article 138** A person shall not serve as a Director, supervisor, general manager or any other senior management of the Company, if any of the following circumstances applies:

- (I) a person without capacity for civil conduct or with limited capacity for civil conduct;
- (II) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his political rights, where less than five years have elapsed since the date of the completion of the implementation of such deprivation, or who has been granted a probation of which the expiry of the probation period of the probation is less than two years;

- (III) a person who is a former director or factory manager or manager of a company or enterprise that has entered into insolvent liquidation and he is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;
- (IV) a person who is a former legal representative of a company or enterprise that had its business license revoked or were being ordered to close down due to a violation of the law and who incurred personal liability, where less than three years has elapsed since the date of the revocation of the business license or being ordered to close down;
- (V) a person who has been listed by the People's Court as a person in default of execution for his/her relatively large amount of debts due and outstanding;
- (VI) a person who is under a penalty of prohibited access to the securities market imposed by the CSRC, and the term is yet to expire;
- (VII) Other circumstances required by laws, administrative regulations, departmental rules and regulations, the regulatory rules of the place where the Company's shares are listed;

In the event that the election or appointment of any director is in violation of the provisions in this Article, the said election, appointment or engagement shall be invalid. Where any of the circumstances herein happens to any director during his/her term of office, the Company shall remove him/her from such office.

**Article 139** In addition to the obligations imposed by laws, administrative regulations or rules of the securities exchange(s) on which the shares of the Company are listed, each Director, Supervisor, general manager or other senior management of the Company owes a duty to each shareholder in the exercise of the following functions and powers of the Company entrusted to him:

- (I) not to cause the Company to exceed the scope of business stipulated in its business license;
- (II) to act in good faith in the best interests of the Company;
- (III) not to expropriate the Company's property through any means, including (but not limited to) the opportunities which may benefit the Company;
- (IV) not to expropriate the individual rights of shareholders, including (without limitation) rights to distribution and voting rights, save pursuant to a restructuring of the Company submitted to shareholders at general meetings for approval in accordance with the Articles of Association.

**Article 140** Each Director, Supervisor, general manager and other senior management of the Company owes a duty, in the exercise of his powers or in the discharge of his obligations, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

**Article 141** Each Director, Supervisor, general manager and other senior management of the Company shall observe his fiduciary obligation when discharging his duties and shall not place himself in a position where his interest and his duty may have conflict. This principle includes (but not limited to) discharging the following obligations:

- (I) to act in good faith in the best interests of the Company;
- (II) to exercise powers within the scope of his powers and not to exceed those powers;
- (III) to exercise the discretion vested in him personally and not allow himself to act under the control of another and, unless and to the extent permitted by laws and administrative regulations or with the informed consent of shareholders at 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) except as otherwise provided in the Articles of Association, laws and regulations or with the informed consent of shareholders at a general meeting, not to enter into a contract, transaction or arrangement with the Company;
- (VI) without the informed consent of shareholders at a general meeting, not to use the Company's property for his own benefit;
- (VII) not to use his functions and powers as a means to accept bribes or any other illegal income, not to expropriate the Company's property in any way, including (but not limited to) opportunities that may benefit the Company;
- (VIII) except as otherwise provided in the Articles of Association, laws and regulations or with the informed consent of shareholders at a general meeting, not to take advantage of his/her position to seek business opportunities belonging to the Company for himself/herself or others;
- (IX) without the informed consent of shareholders at a general meeting, not to accept commissions in connection with the Company's transactions;
- (X) to observe the Articles of Association, faithfully execute his official duties and protect the Company's interests, and not to exploit his position and power in the Company to advance his own private interests;
- (XI) without the informed consent of shareholders at a general meeting, not to compete with the Company in any way, or not to operate businesses, either self-owned or owned by others, similar to those of the Company they serve;
- (XII) not to misappropriate the Company's funds or to lend the Company's funds to others, not to open accounts in his own name or other names for the deposit of the Company's assets and not to provide a guarantee for the shareholder(s) of the Company or other individual(s) with the Company's assets;
- (XIII) without the informed consent of shareholders at general meeting, not to reveal confidential information relating to the Company that was acquired by him during his tenure in the Company and not to use the information save and except where disclosure of such information is in the furtherance of the interests of the Company. However, disclosure of such information to the court or other governmental authorities is permitted under the following circumstances:
  1. disclosure is made under compulsion of relevant law;
  2. the interests of the public require such disclosure;
  3. the interests of that Director, Supervisor, general manager or other senior management require such disclosure.

**Article 142** The fiduciary duties of Directors, Supervisors, general managers and other senior management of the Company do not necessarily cease with the termination of their tenure. Their duty of confidence in relation to the Company's trade secrets survives the termination of their tenure. Other duties may continue for such period as fairness may require depending on the time lapse between the termination and the act concerned and the circumstances and conditions under which the relationship with the Company terminated.

**Article 143** Where a Director, Supervisor, general manager or other senior management of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company, other than his contract of service, he shall declare the nature and extent of his interest to the Board of Directors at the earliest convenience, whether or not the contract, transaction or arrangement or proposal thereof is otherwise subject to the approval of the Board of Directors.

Unless the Director, Supervisor, general manager or other senior management of the Company has disclosed his interest in accordance with the previous provision of this Article and the contract, transaction or arrangement in which he is interested has been approved by the Board of Directors at a meeting in which he was not counted in the quorum and had refrained from voting, any contract, transaction or arrangement in which a Director, Supervisor, general manager or other senior management of the Company is materially interested shall be voidable at the instance of the Company except as against a bona fide party thereto acting without notice of the breach of duty by the Director, Supervisor, general manager or senior management concerned.

A Director, Supervisor, general manager or other senior management of the Company is deemed to be interested in any contract, transaction or arrangement in which a connected person of that Director, Supervisor, general manager or senior management is interested.

**Article 144** Where a Director, Supervisor, general manager or other senior management of the Company gives to the Board of Directors a notice in writing before the relevant contract, transaction or arrangement is first taken into consideration by the Company stating that, by reason of the facts specified in the notice, he is interested in contracts, transactions or arrangements of any description which may subsequently be made by the Company, that notice shall be deemed for the purposes of the preceding provisions of this chapter to be a sufficient declaration of his interest, so far as attributable to those facts.

**Article 145** The Company shall not directly or indirectly make a loan to, or provide any guarantee in connection with, the making of a loan to a Director, supervisor, general manager and other senior management of the Company or of the Company's parent company or any of their respective associates.

The preceding provision shall not apply to the following circumstances:

- (I) the provision of a loan or a guarantee for a loan by the Company to a company which is a subsidiary of the Company;
- (II) the provision by the Company of a loan or a guarantee in connection with the making of a loan or any other funds to any of its Directors, supervisors, general manager and other senior management to meet expenditure incurred or to be incurred by him for the purposes of the Company or for the purpose of enabling him to perform his duties properly, in accordance with the terms of a service contract approved by the shareholders at general meeting;
- (III) The provision of a loan or a guarantee for a loan by another person to any of its Directors, Supervisors, general managers and other senior management or their connected persons by the Company in the ordinary course of its business on normal commercial terms, where the ordinary course of business of the Company includes providing loans and providing loan guarantees.

**Article 146** A loan made by the Company in breach of the preceding Article shall be forthwith repayable by the recipient of the loan regardless of the terms of the loan.

**Article 147** A loan guarantee provided by the Company in breach of the first paragraph of Article 145 of the Articles of Association shall be unenforceable against the Company, unless:

- (I) the guarantee was provided to a connected person of a Director, Supervisor, general manager or other senior management of the Company or its holding company and at the time the loan was advanced the lender did not know the relevant circumstances;
- (II) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.

**Article 148** "Guarantee" as referred to in the preceding provisions of this chapter includes an undertaking or property provided by the Guarantor to secure the performance of obligations by the obligor.

**Article 149** In addition to any rights and remedies provided by law and administrative regulations, where a Director, Supervisor, general manager or other senior management of the Company is in breach of his duties to the Company, the Company has a right to adopt the following measures:

- (I) require the relevant Director, Supervisor, general manager and other senior management to compensate for losses sustained by the Company as a consequence of such breach;
- (II) rescind any contract or transaction entered into by the Company with the relevant Director, Supervisor, general manager and other senior management or with a third party where such third party knew or should have known that there was such a breach;
- (III) require the relevant Director, Supervisor, general manager and other senior management to surrender the gain by reason of such breach;
- (IV) recover any monies received by the relevant Director, Supervisor, general manager and other senior management that should have been received by the Company including, but not limited to, commissions;
- (V) require the relevant Director, Supervisor, general manager and other senior management to return the interest earned or which may have been earned in respect of the monies that should have been given to the Company.

## CHAPTER 10 FINANCIAL ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION

### Section 1 Financial Accounting System

**Article 150** The Company shall establish its own financial and accounting system in accordance with laws, administrative regulations and PRC accounting standards formulated by Ministry of Finance.

**Article 151** At the end of each fiscal year, the Company shall prepare a financial report which shall be audited in compliance with the laws. The financial report of the Company shall include the following financial statements and associated breakdown:

- (I) Balance Sheet;
- (II) Profit and loss account;
- (III) Cash Flow Statement;
- (IV) Notes to the Financial Statements;
- (V) Statement of Profit Distribution.

If there are special provisions on financial reporting in the laws, administrative regulations, regulatory documents issued by the competent authorities and the regulatory rules of the place where the Company's shares are listed, such provisions shall prevail.

**Article 152** The Board of the Company shall present before the shareholders at every annual general meeting such financial reports prepared by the Company as required by relevant laws, administrative regulations, regulatory documents promulgated by local governments and the competent authorities, and the regulatory rules of the place where the Company's shares are listed.

**Article 153** The financial reports of the Company shall be made available for shareholders' inspection at the Company premises twenty days before the date of every annual general meeting.

The Company shall send (referring sent here) a copy of its annual report including its annual accounts together with a copy of the auditors' report thereon by pre-paid post to each of its shareholders of overseas listed shares 21 days before the date of its annual general meeting. The address of each shareholder should be the address listed on the register of shareholders of the Company. Subject to the laws, administrative regulations and the regulatory rules of the place where the Company's shares are listed, the Company may do so by way of announcement (including publication on the company website). Upon the announcement and after completion of the procedures required by the laws, administrative regulations and the regulatory rules of the place where the Company's shares are listed, the abovementioned financial reports are deemed to have been served to all Shareholders.

**Article 154** The Company's financial statements shall be prepared in accordance with PRC accounting standards and regulations as well as international accounting standards or the accounting standards of the place of overseas listing. If there are material differences in the financial statements prepared in accordance with these two sets of accounting standards, such differences shall be stated in notes to the financial statements. For the purpose of approving the distribution of after-tax profits of the relevant accounting years, the amount shall be deemed to be the lesser of the amount determined in accordance with (i) PRC accounting standards and regulations, or (ii) international accounting standards or the accounting standards of the place of overseas listing.

**Article 155** The interim results and financial information to be published or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations, and at the same time to be prepared in accordance with international accounting standards or that of the place overseas where the shares of the Company are listed.

**Article 156** The Company shall comply with the Listing Rules of the Hong Kong Stock Exchange to issue an annual results announcement and an interim results announcement by not later than three months after the end of the financial year and two months after the end of the first six months period of each year respectively.

The Company shall comply with the Listing Rules of the Hong Kong Stock Exchange to issue an annual report and an interim report by not later than four months after the end of the financial year and not later than three months after the end of the first six months of each year respectively.

**Article 157** The Company shall not have other books of account other than the statutory books of account. Funds of the Company shall not be held in any accounts opened in the name of any individuals.

**Article 158** The profit after tax of the Company shall be applied in the following sequence:

- (I) to make up the Company's losses;
- (II) to make appropriations to the statutory reserve fund. When the aggregate balance in the statutory reserve fund reaches 50% or more of the Company's registered capital, the Company need not make any further allocations to that fund;
- (III) subject to resolution at the general meeting, to make appropriations to the discretionary reserve fund;
- (IV) to pay dividends for the ordinary shares. No dividend or other distribution by way of bonus shares shall be distributable before making up losses, and transfer to the statutory reserve fund.

The remaining profit after taxation after recovery of losses and appropriation of reserve fund shall be distributed to shareholders in proportion to their shareholdings, except as otherwise provided in the Articles of Association. No profit shall be distributed in respect of the shares held by the Company.

If the general meeting has, in violation of the preceding paragraph, distributed profit to shareholders before the Company has covered the losses and allocated statutory surplus reserve, the shareholders should return to the Company the profit distributed in violation of regulations.

If losses are caused to the Company, the shareholders and the responsible Directors, Supervisors and members of the senior management should bear the liability for compensation.

If the general meeting resolves to distribute profits, the Board of Directors shall do so within six months after the resolution is made.

**Article 159** The capital reserve fund shall include the following sums:

- (I) the amount of share premium arising from the issue of shares in excess of their par value;
- (II) other income to be credited to capital reserve fund in accordance with the provisions of the finance regulatory department of the State Council;
- (III) the amount of share proceeds from the issuance of no-par shares that have not been credited to the registered capital.

**Article 160** The reserve fund of the Company shall only be used for the following purposes:

- (I) making up the Company's losses. The discretionary reserve fund and statutory reserve fund shall be used first to make up the Company's losses; if the losses cannot be covered, the capital reserve fund can be used in accordance with the provisions;
- (II) converted into share capital increase. In the event of conversion of the statutory reserve fund into registered capital by way of capitalization, the balance of the reserve fund shall not be less than 25% of the registered capital prior to capital injection of the Company;
- (III) expansion of production and operation of the Company.

**Article 161** The proposal for distribution of dividends of the Company shall be determined in general meeting. Upon consideration taken by the Board of Directors on the Company's financial conditions and in compliance with the relevant laws and regulations, the shareholders may pass an ordinary resolution authorising the Board of Directors to distribute and pay dividends.

**Article 162** The Company may distribute dividends in the following forms:

- (I) cash;
- (II) bonus shares.

**Article 163** Dividends of ordinary shares shall be calculated and declared in RMB. Dividends of domestic invested shares shall be paid in RMB. Dividends or other distributions of foreign-invested shares may be paid in the currency of the place of listing of such foreign-invested shares. If the place of listing is more than one, it may be paid in the currency of the primary listing place determined by the Board.

**Article 164** For dividends paid in foreign currencies, the exchange rates applied shall be the average closing prices of the related foreign currencies announced by the People's Bank of China one week prior to the announcement of dividends and other distributions.

**Article 165** The Company shall appoint a receiving agent for shareholders of overseas-listed shares.

The receiving agent shall receive on behalf of such shareholder the dividends distributed to and other amounts payable by the Company in respect of the overseas listed shares. The receiving agent appointed by the Company shall satisfy requirements provided under the laws or the relevant provisions of the stock exchange at the place where the shares of the Company are listed.

## Section 2 Appointment of Accounting Firm

**Article 166** The Company shall engage an accounting firm which satisfies the requirements of the Securities Law and the regulatory rules of the place where the Company's shares are listed to audit the annual financial report of the Company and to audit other financial reports of the Company. For the purpose of this Articles of Association, the accounting firm appointed by the Company at any time shall be the auditors of the Company.

The first accounting firm may be appointed by the inaugural meeting prior to the first annual general meeting and the accounting firm so appointed shall hold office until the conclusion of the first annual general meeting.

Where the power as provided above is not exercised by the inaugural meeting, it shall be exercised by the board of directors.

The Company's appointment or removal of an accounting firm must be decided upon at the general meeting. The Board of Directors may not appoint an accounting firm prior to the decision made at the shareholder's meeting (except circumstances under Article 170 of this Articles of Association).

**Article 167** The term of the office of the accounting firm shall be from the conclusion of the current annual general meeting until the conclusion of the next annual general meeting.

**Article 168** The Company shall guarantee that the accounting evidence, accounting books, financial reports and other accounting information provided to the accountants' firm it engages are true and complete and it shall not refuse or withhold any such information nor shall it provide any false information.

**Article 169** The accounting firm appointed by the Company shall have the following rights:

- (I) to inspect at any time the books and accounts, records and supporting documents of the Company and be entitled to request the directors, managers and other senior management of the Company to provide relevant information and explanations thereof;
- (II) to request the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the performance of the duties of such accounting firm;
- (III) to attend any general meeting 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 on any matter which concerns it as accounting firm of the Company.

**Article 170** If there is a vacancy in the position of auditors of the Company, the Board may engage an accounting firm to fill the vacancy before the convening of the general meeting.

**Article 171** Notwithstanding the stipulations in the contract between the Company and the accounting firm, the shareholders in the shareholders' general meeting may by ordinary resolution remove an accounting firm before the expiration of its term of office, but without prejudice to the firm's right to claim, if any, for damages in respect of such removal.

**Article 172** The remuneration of an accounting firm or the manner in which such firm is to be remunerated shall be determined by the shareholders' general meeting.

**Article 173** Prior to the removal or the non-renewal of the appointment of the accounting firm, notice of such removal or non-renewal shall be given to the accounting firm and such firm shall be entitled to make representation at the shareholders' general meeting. Where the accounting firm resigns from its post, it shall make clear to the shareholders' general meeting whether there has been any indecent matters on the part of the Company.

## CHAPTER 11 NOTICES AND ANNOUNCEMENTS

**Article 174** Notices of the Company may be served through means as follows:

- (I) delivery by hand;
- (II) by post;
- (III) by fax or email;
- (IV) subject to the laws, administrative regulations and regulatory rules of the place where the Company's shares are listed, posted at the Company's website or the websites designated by the Hong Kong Stock Exchange or in newspapers;
- (V) by announcement;
- (VI) the prescribed means between the Company and the recipient or other means received and confirmed by such recipient;
- (VII) other means approved by the laws, administrative regulations and the regulatory rules of the place where the Company's shares are listed and as set out in this Articles of Association.

**Article 175** Where the Company issues a notice by public announcement, all relevant personnel shall be deemed to have received such notice once the public announcement has been made.

**Article 176** Unless otherwise provided in other articles of this Articles of Association, the notice means as set out in the previous article may also be applicable to notices for shareholders' general meeting, meetings of board of directors or the Supervisory Committee.

**Article 177** If a notice of the Company is sent out by courier and the served party signs (or stamps) on the service receipt, the date when the served party acknowledges the receipt of the notice shall be the date of service. If the notice of the Company is sent out by mail, the 48th hour after the date when the notice is delivered to the post office shall fall within the date of service. If the notice of the Company is sent out by facsimile or E-mail or issued by a website, the date of sending out or of issuance shall be the date of service. If a notice of the Company is sent out as an announcement, the date of the publication of the announcement for the first time shall be the date of service. The relevant announcements shall be published in the press in compliance with the relevant provisions.

**Article 178** 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 such notice shall not invalidate the meeting and the resolutions passed at the meeting.

## **CHAPTER 12 MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION**

### **Section 1 Merger, Division, Capital Increase and Capital Reduction**

**Article 179** In the event of the merger or division of the Company, a plan shall be presented by the Company's Board of Directors and shall be approved in accordance with the procedures stipulated in the Articles of Association before processing the relevant examining and approving formalities as required by law. A shareholder who objects to the plan of merger and division of the Company shall have the right to demand the Company or the shareholders who are in consent to the plan of merger and division of the Company to acquire its shares at a fair price.

The contents of the resolution of merger and division of the Company shall be made into special documents for shareholders' inspection. Such special documents shall be sent by mail to holders of foreign shares.

**Article 180** Merger of a company may be effected both by way of absorption and by the establishment of a new entity.

All parties to a merger are required to sign a merger agreement and to prepare their respective balance sheets and inventory of assets. The companies should within ten days of the resolution of the merger inform their respective creditors and publish a notice to the creditors in newspapers or on the National Enterprise Credit Information Publicity System within thirty days of the resolution to merge. The creditors shall within thirty days after receiving written notice, and those creditors who had not received written notice may within forty-five days of the first published notice, request the Company to satisfy any outstanding indebtedness or provide guarantees covering such indebtedness. For newly merged entities, parties of the merger shall be responsible for the creditors' rights and debts of the companies subsisting after the merger.

**Article 181** Where the Company merges with a company in which it holds more than 90% of the shares, the merged company is not subject to the approval of the general meeting but shall notify other shareholders regarding the merger. Such shareholders shall have the right to request the Company to purchase their equity or shares at a reasonable price, unless otherwise provided in the Article of Association, the listing rules of the place where the shares of the Company are listed and other applicable regulations.

Where the consideration for the merger payable by the Company does not exceed 10% of the net assets of the Company, the merger is not subject to the approval of general meeting, unless otherwise provided in the Article of Association, the listing rules of the place where the shares of the Company are listed and other applicable regulations.

Any merger of the Company not subject to the approval of general meeting under the preceding two paragraphs shall be subject to the approval of the board of directors.

**Article 182** When a company demerges, its assets must be separated accordingly.

Preparation of balance sheets and inventory of assets is required for company demerges. The companies should within ten days of the resolution of the merger inform their respective creditors and publish a notice to the creditors in newspapers or on the National Enterprise Credit Information Publicity System within thirty days of the resolution to demerge. Debts owed by the Company prior to the demerge shall be assumed by the companies in existence after the demerge in accordance with the agreement reached.

**Article 183** Where the Company reduces its registered capital, it shall prepare a balance sheet and a list of assets.

The Company shall notify its creditors within 10 days from the date of the resolution for reduction of capital at the general meeting and shall publish an announcement in the newspapers or on the National Enterprise Credit Information Publicity System within 30 days. A creditor has the right within 30 days of receipt of the notice or, in the case of a creditor who does

not receive such notice, within 45 days of the date of the announcement, to demand the Company to repay its debts or to provide a guarantee for such debt.

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

When the Company reduces its registered capital, it shall reduce the amount of capital contribution or shares in proportion to the shareholders' capital contribution or shareholding, unless otherwise stipulated by laws and the Articles of Association.

**Article 184** If the Company still has losses after making up for them in accordance with the provisions of paragraph 1 of Article 160 of the Articles of Association, it may reduce its registered capital to make up for the losses. Where the registered capital is reduced to make up for losses, the Company shall not make distributions to shareholders, nor shall it exempt shareholders from their obligations to make capital contributions or pay for shares.

Where the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of paragraph 2 of the preceding article are not applicable. However, the Company shall announce the reduction in newspapers or on the National Enterprise Credit Information Publicity System within 30 days from the date on which the general meeting passes a resolution to reduce the registered capital.

After the Company reduces its registered capital in accordance with the provisions of the preceding two paragraphs, it shall not distribute profits until the accumulated amount of the statutory reserve and the discretionary reserve reaches 50% of the Company's registered capital.

**Article 185** If the registered capital reduced is in violation of the Articles of Association, shareholders shall return the funds received, and any reduction or exemption of shareholders' capital contributions shall be reversed; in case of losses caused to the Company, shareholders and responsible directors, supervisors and senior management shall be liable for compensation

## Section 2 Dissolution and Liquidation of the Company

**Article 186** The Company shall be dissolved for the following reasons:

- (I) Upon expiry of the term of business stipulated in the Articles of Association or occurrence of any other events causing dissolution stipulated in the Articles of Association;
- (II) A resolution for dissolution is passed at the shareholders' general meeting;
- (III) the Company has to be dissolved on account of its merger or separation;
- (IV) invalidation of business licence or closure or revocation order received according to the laws;
- (V) where the operation and management of the Company fall into serious difficulties and its continued existence would cause material losses to shareholders, the shareholders holding over 10% of the total voting rights of the Company may apply to the people's court to dissolve the Company if there are no other solutions.

If the Company encounters any of the dissolution causes specified in the preceding paragraph, it shall publicize the dissolution causes on the National Enterprise Credit Information Publicity System within 10 days.

**Article 187** In the circumstance as set out in item (I) and (II) of paragraph 1 of the preceding article, if no asset has been distributed to shareholders, the Company may continue to exist by amending the Articles of Association or a resolution of the general meeting.

If this Articles of Association is amended subject to the aforesaid provisions or a resolution of the general meeting, it must be approved by shareholders representing two-thirds or above of the voting rights present at the general meeting.

Where the Company is dissolved pursuant to the items (I), (II), (IV) and (V) of paragraph 1 of the preceding article, the Company shall be liquidated. The Directors shall be the liquidation obligors, and a liquidation team shall be formed within 15 days from the occurrence of the events of dissolution, to perform the liquidation. The liquidation team shall consist of the Directors, unless otherwise stipulated in the Articles of Association or otherwise selected by a resolution of the general meeting. If a liquidation obligor fails to perform his/her liquidation obligations in a timely manner, thereby causing losses to the Company or the creditors, such liquidation obligor shall be liable for compensation.

Where the liquidation committee is not formed within the stipulated time frame to conduct the liquidation, the interested person may apply to the People's Court to appoint relevant personnel to establish the liquidation committee to conduct the liquidation.

**Article 188** In the event that the Board makes a decision upon liquidation of the Company (save and except for a liquidation in the event of the Company being declared as bankrupt), it shall, in the notice on the general meeting to be held on this, state that the Board has made a comprehensive investigation of the Company's conditions, and hold that the Company can clear off all liabilities of the Company within twelve months from the commencement of liquidation.

Upon passing of the resolution on liquidation at the general meeting, the functions of the Board of the Company shall be immediately terminated.

The liquidation committee shall follow the instructions from the general meeting, make at least one report each year to the general meeting regarding the income and expenditure of the liquidation committee as well as the Company's business and progress on the liquidation, and make the final report to the general meeting at the end of the liquidation.

**Article 189** The liquidation committee shall notify creditors within a period of ten days from the date of its establishment and make an announcement of the liquidation at a newspaper or on the National Enterprise Credit Information Publicity System within sixty days of that date. Claims shall be registered by the liquidation committee. During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.

**Article 190** Within thirty days following the date of receive of the notification, or within forty five days following the public announcement if the notification is not personally received, creditors shall declare their claims to the liquidation committee. When making declaration of their rights, creditors shall specify the items to which their rights relate and produce evidence to this effect.

**Article 191** During the period of liquidation, the liquidation committee shall perform the following functions and powers:

- (I) clear up the Company's property and formulate the balance sheet and list of property;
- (II) send notifications or declarations to the creditors;
- (III) dispose of and clear up pending business of the Company in relation to liquidation;
- (IV) pay due taxes and taxes accrued and any tax that arises during the liquidation process;
- (V) clear off claims and debts;
- (VI) allocate of the Company's remaining property after the repayment of the debts;
- (VII) participate in civil proceedings on behalf of the Company.

**Article 192** After clearing up Company's property and formulating the balance sheet and list of property, the liquidation committee shall formulate the liquidation scheme and submit the same to the general meeting or the People's Court for confirmation.

Payment of debts out of the Company's property shall be made in the order of priority prescribed by applicable laws and regulations. If there is no applicable law, such distribution shall be carried out in accordance with a fair and reasonable procedure determined by the liquidation committee.

The remaining property of the Company after payment has been made under the previous provision shall be distributed to its shareholders according to the class and proportion of their shareholding. During the liquidation period, the Company continues to exist, but may not carry out any business operation that is not for the purpose of carrying out liquidation.

**Article 193** When the liquidation committee finds out that Company's properties are not sufficient for repayment of the debts after clearing up Company's properties and formulating the balance sheet and lists of property, it shall immediately apply for bankruptcy liquidation with the people's court. After the Company's bankruptcy application is accepted by the people's court, the liquidation committee shall prepare and hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

**Article 194** Upon completion of the Company's liquidation, the liquidation committee shall prepare a liquidation report which shall be submitted to the general meeting of shareholders or the People's Court for confirmation as well as submitting the same to the companies' registration authority for application for the cancellation of the Company's registration and for making public announcements in connection with the termination of the Company.

**Article 195** The members of the liquidation committee shall perform their liquidating functions with duties of loyalty and care.

Members of the liquidation committee neglecting to perform their liquidating functions, and thereby causing losses to the Company, shall be liable for compensation; where any of the members of the liquidation committee cause any loss to the Company or any creditor by intention or due to gross negligence, he shall make corresponding compensations.

**Article 196** Where the Company is declared bankrupt in accordance with laws, it shall implement bankruptcy liquidation in accordance with relevant laws relating to bankruptcy of enterprises.

## CHAPTER 13 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

**Article 197** The Company may amend its Articles of Association according to laws, administrative regulations and requirements of Articles of Association.

**Article 198** The amendment to the Articles of Association shall be reported to the competent authorities for approval or filing if such amendments should be approved or filed by the competent authorities. If there is any change relating to the registered particulars of the Company, an application shall be made for registration of the changes in accordance with law.

## CHAPTER 14 MISCELLANEOUS

**Article 199** Definition:

- (I) An actual controller means a person, though not a shareholder, but through investment relationship, agreement, or other arrangement, can actually control the activities of the Company.
- (II) The definition of associated relationship has the meaning as ascribed to it under Hong Kong Listing Rules.

**Article 200** The Articles of Association are written in Chinese and English, both shall have the same legal effect. Where there is any ambiguity between both versions, the latest Chinese version which has been approved and registered at Market Supervision Bureau of Weihai City shall prevail.

**Article 201** The right to interpret this Articles of Association rests on the board of directors of the Company. Matters not stipulated in this Articles of Association shall be proposed and passed at the general meeting by the board of directors.

**Article 202** References to "above", "within" and "below" in the Articles of Association are inclusive of the item itself whereas "except" and "outside" are exclusive of the item itself.

Shandong Weigao Group Medical Polymer Company Limited

17 October 2025